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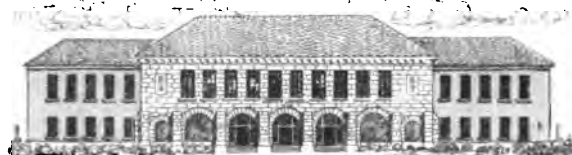
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Shaw



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AN
ELEMENTARY BOOK-KEEPING
WITH
BUSINESS FORMS

EMBRACING
SYSTEMATIC AND APPLIED TRAINING

IN KEEPING AND POSTING SIMPLE ACCOUNTS, WRITING BUSINESS LETTERS,
RECEIPTS, NOTES, BANK CHECKS, DRAFTS, TELEGRAMS, ORDERS,
MAKING BILLS, AND HINTS ON THE *SAVING AND*
USE OF WEALTH

BY
JUDSON WADE SHAW, A.M.

DEPARTMENT OF EDUCATION
LELAND STANFORD JUNIOR UNIVERSITY

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PREFACE.

THE strong approval of the plan and the successful use of the "Practice Book," with the urgent call for a much more extended list of examples accompanied with simple and full illustrations of the methods of keeping accounts and the use of common business papers, were incentives for the preparation of this book.

From extensive observation and repeated tests it is clearly shown that pupils, when rightly trained, acquire a knowledge of these matters as thoroughly in school work as they do in actual business transactions. But it is thus acquired only by the constant writing and applied use of business papers, and the opening and closing of accounts.

As this investigation showed that pupils, especially the younger class, acquire this knowledge more readily and intelligently by the use of *short* examples rather than *long ones*, nearly all the examples have been made very brief.

From these examples, as well as from the suggestions in regard to the making out of bills, the writing and endorsing of notes, bank checks, and drafts, the writing of orders, telegrams, due bills, business letters, etc., interspersed through the book, teachers may *select* and *use* as time may permit.

The ignorance of most citizens, as well as a large per cent. of the pupils in our schools, of the common business forms and of commercial law, should induce school officials and teachers to have these correctly and thoroughly taught.

The method adopted in this book is in accord with that pursued in those schools where the author found the most efficient and satisfactory work done in this branch of study.

This method of presenting the principles involved will, we trust, help to remedy the complaint of some that "the results secured in this branch are not commensurate with the time given to it." It is no more so in the study of book-keeping than in the study of arithmetic.

Book-keeping, well taught, brings into use much of the most practical part of arithmetic. It is also an efficient way of learning to write, to spell, and to use numbers rapidly. It develops a ready and concise expression of thought, all of which have been kept in mind in the preparation of this book.

Care has been taken to make both the language and examples, used to illustrate principles, so plain, that ordinary grammar school pupils may readily understand them.

The advantage of this study is also shown in its developing the spirit of careful *calculation* and *saving*. Repeated investigation has shown that of the clerks who had been trained to the practice of keeping accounts, not only a much larger number kept an account of their receipts and payments, but a very much larger number *saved* of their earnings than did those who had not thus been trained.

Hints on the acquisition and use of money are interspersed through the book. It is hoped that teachers will enlarge upon the suggestions given in this line.

The author is under great obligation to F. L. Shaw, Principal of the Shaw Business Colleges in Portland and Augusta, Me., and to M. J. West, in charge of the Book-keeping department of the State Normal School, Farmington, Me., who have rendered valuable help and suggestions; also to F. E. C. Robbins, Superintendent of the Schools of the cities of Deering and Westbrook, and to Myron T. Pritchard, Master of Everett School, Boston, Mass.

TABLE OF CONTENTS.

	PAGE		PAGE
Introductory suggestions	1	Form of a bank note, with suggestions	23
Clerk's cash account	2	Questions for review on notes	24
Memoranda for cash account	3		
Suggestions for carrying on the work	4	BANK CHECKS.	
Questions in review of cash account	4	Definition — with explanation of their use, transfer, etc.	25, 26
DAY BOOK AND LEDGER	5	Bank check to order of, with explanation	27
Illustration and definition of the Day Book	5	Bank check to Payee or Bearer, with explanation	27
Illustration and definition of the Ledger	5	A non-negotiable check	28
Definition of debtor, creditor, debit, and credit	5	Questions for review on checks	28
Day Book entries	6, 7		
Index to Ledger	7½	RECEIPTS.	
Ledger entries	8	Definition — two forms of receipts	29
Questions for review of D. B. & L.	8	Receipt for rent, with suggestions	30
Memoranda for D. B. & L.	9	Questions for review on receipts	30
BILLS	10	DRAFTS.	
What every bill should contain	10	Definition — custom in their use — days of credit and grace	31
Form of receipting bills	10	Time allowed on a sight draft before protest- ing — on a demand draft	31
Questions for review of bills	10	What a Protest is, and on what papers made	31
Form of a bill	11	Explanation — how drafts are used, what a col- lection draft is, etc.	31
Form of a statement receipted	11	Form of a time draft	31
An itemized bill with other forms	12, 13	Other forms of drafts	32
BUSINESS LETTERS	14	Review questions on drafts	33
What they require —		ORDERS.	
Materials, answers, promptness, penmanship	15	What an order is	33
Letters of introduction and other forms	16, 17	A non-negotiable order	33
Order for goods	18	A negotiable order	33
Questions for review on letters	18	A Savings Bank order	34
NOTES.		Memoranda for orders, with review questions.	34
Definition — different kinds of, what teachers should explain on notes	19	MONEY ORDERS AND POSTAL NOTES.	
A negotiable non-interest-bearing note, with explanation	20	Explanation of money orders and their use	35
A negotiable interest-bearing note, with ex- planation	20	How to obtain a money order, safety in its use, etc.	35
A negotiable interest-bearing note, with forms of endorsement	21	Form of money order application	36
A joint negotiable note, with suggestions	22	Fees charged for money orders	36
A demand negotiable note, with suggestions	22	Abbreviations and signs	37
A joint several note, with suggestions	23		

TABLE OF CONTENTS.

	PAGE		PAGE
Suggestions on Drill Exercises	38	Cash Book — Illustrating the use of	62
Drill Exercises — examples for cash account	39, 40	Personal Account , cash account, petty sales, etc., defined	63
Telegrams, the writing of	40	Entering of funds taken for personal use (note)	64
Suggestions to teachers	42	Closing an account, illustrating the method	65-76
Brief entries to save space	42	Sending telegrams, conditions of	71
Students' boarding account	42	Cash account of John D. Wilson	72, 73
Form of the boarding account	43	Ledger account of John D. Wilson	74, 75
Form of the boarding account, continued	44	Due Bill , Forms of	76
Explanation of December 30/95	44	Boot and Shoe Dealer's account	77, 78
Corn and oat field account	45	Ledger entries, Forms I., II., and III.	79
Note — How to endorse bank checks, notes, etc.	45	Example illustrating how to keep Day Book, Cash Book, and Ledger	84-87
Treasurer's cash account	45	Business suggestions	87
Five acre potato field account	46	Trade discount — see note	88
Dairy cash account	47	The use of I instead of we in joint or joint and several notes	89
Poultry cash account	48	Bill of Lading — with conditions	90
James Niel's account	49	Wholesale flour account, with hints on use of business papers	96, 97
Origin of the Cottage Home Scheme	49	Partnership Account	98-103
Account of the Cottage Home Association	50	Bill Book — with hints on notes, etc.	104, 105
Reference to a mortgage	51 and 110	Partnership account continued	106, 107
Per cent saved in buying (bottom of page)	52, 53	Sales Book and Invoice Book	108
Statement of Cottage Home Scheme	54	Lease , and Bill of Sale	109
Simple account for working people	54	Mortgage , and Bill of Sale , brief form	110
Day or Note Book , illustrating the use of	55, 56		
Ledger , illustrating the use of — Posting	57		
Book-Keeping — Single and double entry defined	58		
Account in single entry — Entering and posting	58-61		

INTRODUCTORY SUGGESTIONS.

The following directions and forms are given as examples to aid in drill exercise. They can be carried to any extent desired, by a little effort on the part of teachers and educators.

All scholars who can use United States money should commence a course of training in making and receipting bills, in keeping and posting simple accounts, in writing business letters, orders, notes, drafts, bank checks, etc., until they are thoroughly familiar with them. To do this readily requires a long practice. It cannot be acquired by pupils in one or two terms, but demands years of continued drill.

Hence every pupil of the grammar-school grade should be instructed in some of these methods.

They are not only helpful in learning **business forms**, but in many ways this training is of great service to the scholar in school work, as well as through life.

(1) It is an efficient method of **learning to write**. A scholar may write single-line copies all his school days, and then not make a page of promiscuously written words look well. He must have such practice as book-keeping and letter-writing give him to secure this end.

(2) It is a most practical way of **learning to spell**,—since this practice requires the use of such words as are common in business life, and in a way in which pupils will need to use them both in, and after leaving school. School Committees have frequently assured the author that applicants for positions as teachers often spell well, orally, who cannot, when asked, write the words correctly.

(3) This business practice also acquaints scholars with a correct use of **capital letters**. The older systems of book-keeping used capital letters promiscuously, but it is better in all these forms to follow the ordinary rules of grammar.

(4) It teaches a correct use of **punctuation marks**.

(5) With the letter-writing and business models given and suggested in this work, it aids scholars to express their thoughts correctly and easily.

(6) It also develops a practical and **rapid** use of **numbers**.

(7) It trains the pupil to do business in a correct and efficient way.

If time be limited, the work can be carried on as a part of the Arithmetic lesson. Each week's record, given in the first form, is brief and can be as easily managed as any ordinary problem in arithmetic. So with most of the examples given through the book.

The first form is an easy way to keep a simple cash account. In its use great care needs to be taken to place the money received, and paid each in its proper column.

It is better, for convenient reference, to enter the balance on hand in red ink each time it is drawn. Many balance the account of "receipts" and "payments" each day, in order to discover and enter any omissions which may have occurred. Never allow it to run over a week. The balance should correspond with cash on hand.

In the accounts for January and February write a receipt for each payment of board such as the person furnishing it should give you, signing the name of the one who is supposed to receive the money.

REVIEW QUESTIONS.

(1) Name the seven special advantages given above which result from this practice.

(2) If limited in time, in what way can one carry on this work?

(3) What care is especially necessary in keeping an account according to the first form?

(4) Tell why it is best for each person to keep account of receipts and cash paid.

See Preface.

CASH ACCOUNT.

The following represents, as far as allowed to copy it, a clerk's cash account, who proceeds with his earnings and expenditures on a well-outlined and consistent business plan. From early education he makes it a rule to buy only as he has means to pay for what he gets, to give one-tenth of his income for public improvement and as a partial compensation for the advantages of society, to save and invest a certain amount weekly or monthly, to make a daily reckoning of his "receipts" and "payments," and each Saturday night to balance his account.

By this plan, and with prudence, he has now, at twenty-two years of age, over \$2000, well invested, while most of those employed with him have not a dollar saved. Many of them have received a larger salary than he, but usually it is all promised before received. This clerk, with his pay recently increased, carries out the same system of saving and investing. In a few years he will be able to provide his family with a finely furnished house, free of debt, and give them many privileges, while his companions will not have done so well in making provision for the future.

1892.		Received.		Paid.	
Jan.	4	Cash on hand	30 00		
		10-ride tickets			60
		Bank deposit		12 00	
		2 pair cuffs @ 25¢			50
	9	Laundry			25
		Lecture			25
		3 weeks' board to Jan. 9th /92 @ \$4		12 00	
		Bal. on hand		4 40	
			30 00	30 00	
	9	Bal. bro't down	4 40		
		Rec'd for 1 week's sal. to 9th inst.	10 00		
	10	Sunday contribution			25
	12	Concert			35
		Paper and pens			40
	15	Mill on the Floss			35
		10-ride tickets			60
	16	Cash for extra work to 16th inst.	2 00		
		" " week's salary to 16th "	10 00		
		Daily paper one month			50
		1 week's board to 16th		4 00	
		Bal. on hand		19 95	
			26 40	26 40	
	23	Bal. bro't down	19 95		
		Paid 1 week's board to 23d inst.		4 00	
		Laundry			20
	26	1 necktie			50
		Given for charity			50
	28	1 piece of music			30
		1 week's board to Jan. 30/92		4 00	
	30	Bank deposit		15 00	
		1 week's salary to Jan. 30/92	10 00		
		Bal. on hand		5 45	
			29 95	29 95	
Feb.	1	Bal. bro't down	5 45		

MEMORANDA.

February, 1892. (1) Cash on hand, \$5.45. Paid for shaving soap, 10¢; for present to mother, \$1.00; postage and stamps, 25¢; ten-ride ticket, 60¢; lecture, 25¢. (4) Laundry, 20¢; 1 pair shoes, \$3; practice book, 35¢; received cash for one week's work, \$10.00; for extra work, \$1.50; paid bank deposit, \$4.00.

Counting cash on hand, I find only \$6.95. On reviewing the week, I find an omission to charge 25¢ for church contribution, which added to above charges, makes the amount paid and cash on hand Feb. 6 agree with total received. The \$5.45 balance of last week is counted as received; so with each balance of cash on hand.

February, continued.

(7) Cash on hand, \$6.95. Paid church contributions, 25¢; home missions, 25¢. (8) For washing, 50¢. (12) Laundry, 15¢. (13) Two weeks' board to the 14th, \$8.00; bank deposit, \$4.00; received for one week's work to the 13th, \$10.00; for extra work, \$2.00. Balance on hand, \$5.80.

14

(14) Cash on hand, \$5.80. Paid Sabbath school contributions, 15¢; church contributions, 25¢. (15) Carfare, 80¢; fruit, 10¢; 1 pair gloves, \$1.25; laundry, 20¢; 1 book, 20¢. (20) Paid one week's board to 21st, \$4.00; bank

deposit, \$4.00; received for one week's salary, \$10.00; for extra work, \$2.25. Balance on hand, \$7.10.

21

(20) Saturday evening, cash on hand, \$7.10. Contributions, 25¢. (22) Carfare, 60¢. (24) Lecture, 35¢; washing, 30¢. (28) Laundry, 15¢; one week's board, \$4.00, to 29th; bank deposit, \$4.00; excursion, 50¢; received for one week's salary, to 29th, \$10.00; for extra pay, \$1.00. Balance on hand, \$7.95.

Feb. 28th, cash on hand, \$7.95.

(For continued memoranda and drill exercises, see page 39-55.)

Carry forward the above balance, \$7.95, enter receipts and amount paid out each week for March as in previous months and strike the balance each Saturday night. At the close of the month, *i.e.* of the quarter ending March 31st, make a summary of all the receipts for the three months and enter in the column for the receipts; also a summary of all "paid," keeping amount of bank deposit or investments in one sum, and the other amounts paid out as another item, then add the two items of the paid together, and subtract from the amount of receipts to get at the cash on hand March 31.

In a similar way enter amounts received and paid from time to time for each of the remaining months of the year, showing the total amount received and paid out at the end of each quarter.

At the close of the year, Dec. 31st, make a summary of the whole year's transactions, and show the total "received" and "paid" and the full amount deposited in the bank or otherwise invested.

NOTE.—From March 31st it is advised to pass to page 39, taking up examples from pages 39 to 54 before taking up the Day Book and Ledger work commenced on page 5.

REVIEW QUESTIONS.

- (1) Give in your own language the method of keeping the above account.
- (2) What is done in closing each week's account?
- (3) How do we find the balance on hand?
- (4) With what should the balance on hand agree?
- (5) With what colored ink should the balance be entered, and why?

- (6) What is required to be done at the close of the first quarter?
- (7) What is the special advantage of this summary account?
- (8) How is the work to be carried on the remaining months of the year?
- (9) What should be done at the close of each quarter?
- (10) What should be done at the close of the year?

THE DAY BOOK AND LEDGER.

The following may be supposed to be a record of some of the transactions of Joseph Dame, a retail grocer at Andover, Mass.

From such a record as is shown by his Day Book (a book in which each day's transactions are entered) Joseph Dame or any one is able to tell who owes him and whom he owes, and how much he owes or is owed in each case.

Imagine yourself to be his clerk and see if by looking over this record you can answer the following questions, should he ask them. On what dates have goods been sold to James Cilley, and what is the total amount of sales to him, and how much has he paid?

How do we stand with Henry Hoyt, Mrs. Mary Wheeler, Harry Goodwin, and William W. Garvin? Do we owe them, or they us?

From such a record as appears in the Day Book you could answer the questions, but where transactions are carried along for weeks or months with different persons, it would be a very slow way of getting at the facts. Hence for convenient reference, the transactions or accounts (abbreviated *%*) with the different persons are collected and arranged as they appear in the Ledger, so the main facts may be learned at a glance. The Ledger gives the summary.

For items or particulars, reference can be made to the Day Book (abbreviated *D. B.*), as the pages of the itemized charges in the *D. B.* are indicated in the left vertical column of the Ledger (abbreviated *L.*).

The items bought or sold on account mean that the goods were not paid for at the time, and "paid on account" means that money has been paid to reduce the debt.

A person who owes is called a **Debtor** (abbreviated *Dr.*).

A person who is owed is a **Creditor** (abbreviated *Cr.*).

The left side of the ledger page is the *Dr.* side; the right is the *Cr.* side.

When we charge one on *%*, we say we **debit** him.

When we enter a payment on *%*, we say we **credit** him.

Over the entry of each transaction of *Dr.* and *Cr.* we write the name of the party with whom it occurred, as will appear in both the *D. B.* and *L.* The name of the owner of the book should always appear on the cover or some other conspicuous place. It is not necessary therefore to write Joseph Dame's name with each account.

NOTE. — Book-keepers usually keep cash received or paid, unless on account, in a separate book called a cash book. In the following exercise it is kept in the *D. B.* on account of the limited cash transactions.

DAY BOOK.

Ledger
Page.

ANDOVER, MASS., FEB. 1, 1892.

Dr. .

Cr.

		Feb. 2					
1	JAMES CILLEY	Dr.					
	1 gal. molasses	.55					
	1 lb. coffee	.36					
	$\frac{1}{8}$ bbl. Bridal Veil flour	1.00					
	1 bag meal	1.50	3	41			
	Cr.						
	By 1 bu. pea beans					2	50
	2						
1	HENRY HOYT	Dr.					
	1 bbl. White Swan flour	7.00					
	20 lbs. gran. sugar @ 5¢	1.00	8	00			
	5						
1	MRS. MARY WHEELER	Dr.					
	10 lbs. gran. sugar @ 5¢	.50					
	$\frac{1}{4}$ lb. cream tartar	40¢					
	$\frac{1}{4}$ " black pepper	28¢					
	$\frac{1}{4}$ " ginger	20¢					
	$\frac{1}{4}$ " nutmeg	90¢					
	10				95		
1	JAMES CILLEY	Dr.					
	1 lb. Muscatel raisins	.18					
	2 lbs. Califor. " @ 15¢	.30					
	1 lb. Jamaica ginger root	.25					
	1 gal. Porto-Rico molasses	.60					
	$\frac{1}{2}$ bbl. Pillsbury's Best flour	3.50	4	83			
	12						
1	HARRY GOODWIN	Dr.					
	1 bbl. Washburn's Best flour	7.00	7	00			
	Cr.						
	By 2 bbls. apples @ 1.50					3	00
	15						
1	JAMES CILLEY	Cr.					
	By cash to bal. $\frac{9}{16}$					5	74

AND ELEMENTARY BOOK-KEEPING.

7

ANDOVER, MASS., FEB. 20, 1892.

1892

Dr.

Cr.

		Feb. 20					
1	MRS. MARY WHEELER	Dr.					
	1 bbl. Bridal Veil flour	6.50					
	5 lbs. crushed wheat @ 5¢	.25					
	1 lb. Formosa Oolong tea	.75		7	50		
	By cash	Cr.				5	00
		25					
1	HARRY GOODWIN	Dr.					
	1 lb. Mocha and Java coffee	.36					
	1 " best Japan tea	.75					
	20 lbs. Arlington wheat @ 3½¢	.70		1	81		
		26					
		Cr.					
1	HARRY GOODWIN						
	By cash to bal. q/c					5	81
		25					
1	MRS. MARY WHEELER	Dr.					
	3 cans yellow peaches @ 25¢	.75					
	½ doz. cans Bartlett pears @ 3.50	1.75					
	½ " " Lima beans @ 1.50	.75					
	½ " " succotash @ 1.65	.83		4	08		
		25					
1	HENRY HOYT	Dr.					
	1 bbl. Bridal Veil flour			6	50		
	By cash	Cr.				14	50
		27					
1	MRS. MARY WHEELER	Cr.					
	By cash					11	53
		29					
1	WM. M. GARVIN	Dr.					
	1 bbl. St. Louis flour	5.50					
	1 lb. Old Java coffee	.36					
	20 lb. gran. sugar @ 5¢	1.00		6	86		
		29					
1	MRS. MARY WHEELER	Dr.					
	20 lbs. gran. sugar @ 5¢	1.00					
	1 doz. Booth's salmon	1.75					
	25 bars Babbitt's best soap @ 5¢	1.25		4	00		

LEDGER INDEX.

A		H HOYT, HENRY	8
B		I	
C CILLEY, JAMES	8 P	J	
D		K	
E		L	
F		M	
G GOODWIN, HARRY GARVIN, WM. M.	8	N	

LEDGER INDEX.

O	V
P	W
Q	X
R	Y
S	Z
T	
U	

LEDGER (PAGE 1).

<i>Dr.</i>				JAMES CILLEY.				<i>Cr.</i>			
1892				<i>D. B. Page</i>				1892			
								<i>D. B. Page</i>			
Feb.	2	To Mdse.*	6	3	41	Feb.	2	By Mdse.	6	2	50
	10	" "	6	4	83		15	" Cash	6	5	74
				8	24					8	24

HENRY HOYT.

Feb.	2	To Mdse.	6	8	00	Feb.	25	By Cash	7	14	50
	25	" "	7	6	50						
				14	50						

MRS. MARY WHEELER.

Feb.	5	To Mdse.	6		95	Feb.	20	By Mdse.	7	5	00
	20	" "	7	7	50		27	" Cash	7	11	53
	25	" "	7	4	08						
	29	" "	7	4	00						
				16	53					16	53

HARRY GOODWIN.

Feb.	12	To Mdse.	6	7	00	Feb.	12	By Mdse.	6	3	00
	25	" "	7	1	81		25	" Cash	7	5	81
				8	81					8	81

WM. M. GARVIN.

Feb.	29	To Mdse.	7	6	86						
------	----	----------	---	---	----	--	--	--	--	--	--

REVIEW QUESTIONS.

(1) Of what are the above D. B. and L. accounts supposed to be a record?

(2) What are we able to tell from the D. B.?

(3) Where many charges of different dates are entered, as in the D. B., is it convenient for reference?

(4) In what way can Mr. Dame or his clerk tell from the D. B. how he stands with James Cilley, i.e. how much Cilley owes him, or he owes Cilley?

(5) With Henry Hoyt and others who have accounts with him?

(6) From which can we tell the more readily, the Day Book or Ledger?

(7) Why does the L. show the standing of the full $\%$ more readily?

(8) Explain the difference between the D. B. and L.

(9) If after referring to the L. we wish to get at the items of the $\%$, how can we do so?

* Abbreviation of Merchandise.

(10) What is meant by the terms "bought" and "sold" on account?

(11) What is meant by the words "paid on account"?

(12) What do we call a person who owes? Who is owed?

(13) When we charge one on $\frac{1}{2}\%$, what do we say we do? What when we enter his payments?

(14) Which is the Dr. side of the L. page? Which is the Cr. side?

(15) Where do we write the name of each person whose $\frac{1}{2}\%$ is entered in these books?

(16) Why do we not enter Joseph Dame's name with each individual $\frac{1}{2}\%$?

(17) Where should the owner's name appear?

NOTE.—It will be better not to bring out the above review questions as a whole until after the pupil has entered and posted Dame's accounts in full; they should be brought out incidentally as the accounts are being gone over.

The scholars should be required to make bills, and send or pass to purchasers of the goods, to receipt them as required in actual business, to write business letters, etc., as they go over the above. (See pages 10-14 for forms.)

For full explanation and continued memoranda and drill exercises, see pages 55-80.

HIRAM FIELD'S MEMORANDA.

Carry the following memoranda of sales and receipts of Hiram Field, a farmer in Andover, Mass., into the D. B., and post into the L., as indicated in the preceding example.

Make out and send itemized bills to Luke and Dix in Field's name, per yours (an itemized bill gives all the items of record as shown in the D. B.).

Mar. 16, send Murphy a bill and letter saying the hens and mdse. were shipped by freight as per agreement.

Mar. 20, send him a receipt and thank him for prompt payment, signing Hiram Field's name, per yours.

Mar. 5/92.	Sold H. Luke on $\frac{1}{2}\%$ 4 cords of soft wood @ \$4.00	
	5 bu. potatoes	" .75
	2 bbls. apples	" 1.50
	Received of H. Luke 10 lbs. sugar	" .05
	5 gal. molasses	" .55
	1 bbl. Pillsbury's Best flour	" 7.00
Mar. 10.	Sold Henry Dix on $\frac{1}{2}\%$ 10 bu. oats	" .40
	20 doz. eggs	" .15
	6 bu. corn	" .90
	$\frac{1}{2}$ ton hay	" 16.00 per ton
	30 lbs. butter	" .25
	Received of Henry Dix 10 bags meal	" 1.20
	6 bu. salt	" .50
	20 lbs. granulated sugar	" .05
	Cash	10.00
Mar. 15.	Sold James Murphy of No. Andover, Mass.,	
	6 hens	" 1.00
	3 gal. maple molasses	" 1.00
	2 cords hard wood	" 6.00
	1 harrow	" 4.00
Mar. 20.	Received check from James Murphy to balance account.	

BILLS.

Bills, as commonly used, give a written statement of items of sale, or the amount one party owes another, or a full statement of debits and credits.

Every bill should have in it the name of the **town** or **city**, the **state** and the **date**, the name of the **Debtor** or party who receives the mdse. or service, the name of the **Creditor** or party who sells the mdse. or renders the service, and the amount of charges with credits, if any have been made. .

Special care should be taken to make the handwriting and figures plain and legible, also to follow rules of grammar in the use of capital letters and punctuation marks. Some book-keepers place the month and year at the top of the date column and enter the day (dates) of the transactions successively below as they occur, until the beginning of the next month, when that month is written in the date column, and the dates of its transactions are entered successively as before, and so on. See examples, pp. 11 and 12.

This gives a more attractive page. When the debtor pays the whole amount of the bill, he is entitled to, and should take, the bill duly receipted, or a receipt showing he has paid the amount due from him; but when he pays only a part of the amount, he should take a receipt or have the amount which he has **paid**, credited on the bill he holds.

To make such a paper valid, *i.e.* to show it has been paid in full, it must have following the statement of the account the words "Received Payment" or "Paid" or "Settled" followed by the signature of the party owed, or that of an agent authorized to sign for him.

If the name of the seller of mdse. or person who renders the service is signed by a clerk or authorized agent, the name or initials should be signed, with the word "Per" or "By" preceding it, as follows:—

Rec'd Pay't,
D. C. Heath & Co.,
Per J. H. (or the full name).

After a proper training in making and receipting bills, the following questions should be asked, though each of the essentials mentioned above should be brought out and fully explained while the pupils are in practice on bills.

REVIEW QUESTIONS.

(1) What should every bill have in it? Specify each of the six or seven items.

(2) Should the name of the debtor be placed before or after that of the creditor? Why? Illustrate how it should be placed or written when used with "Dr." Also when used with "Bought of." Also with "Sold to."

(3) Should the Cr. be placed below or above the charge or charges? Illustrate on the board or paper how in a bill the charges and credits should be arranged or placed.

(4) What direction is given with reference to the writing of figures?

(5) What direction is given with reference to use of capital letters?

(6) Where are the month and year often placed in bills by some book-keepers?

(7) How are the different days or dates of the month arranged in the bill?

(8) Explain what is necessary to have a bill legally receipted. Show forms which can be used. What is the more common form?

(9) What should be done when the debtor pays only a part of the amount due? Illustrate fully.

1. BILL.

Mr. Wm. M. Garvin
Andover, Mass., Feb. 29, 1892.

To JOSEPH DAME, Dr.

1	bbbl. St. Louis flour	5	50		
1	lb. Old Java coffee		36		
20	lbs. gran. sugar @ 5¢	1	00	6	86

2. STATEMENT OF ACCOUNT.

Andover, Mass., Mar. 3, 1892.

Mr. Harry Goodwin

To JOSEPH DAME, Dr.

Terms Cash.

1892.

Feb. 12	1	bbbl. Washburn's Best flour	7	00		
	1	lb. Mocha & Java coffee		36		
	1	" best Japan tea		75		
	20	lbs. Arlington wheat		70	8	81
Feb. 12	2	bbbls. apples @ 1.50	3	00		
Mar. 3		Cash	5	81	8	81

Settled as above,

Joseph Dame.

Make out three bills, similar to No. 2, of seven items of charge in each, and two or more credits—one for dry goods, one for groceries, and one for hardware. Be careful to use capital letters correctly, also the punctuation marks.

NOTE.—After the date of the year some authors use the period (as, 1892.), others do not. Better use it after all such dates. Use the comma (,) after the day of the month (as, Mar. 3, 1892.). Some of the examples for illustration omit these, which the pupil should correct.

3. ITEMIZED BILL FOR GOODS BOUGHT AT VARIOUS TIMES.

Andover, Mass., Feb. 15, 1892Mr. James Cilley

To JOSEPH DAME, Dr.

1892.

Feb.	2	1	gal. molasses		55		
		1	lb. coffee		36		
		$\frac{1}{8}$	dbl. Bridal Veil flour	1	00		
		1	bag meal	1	50	3	41
	10	1	lb. Muscatel raisins		18		
		2	lbs. Cal. " @ 15¢		30		
		1	lb. Jamaica ginger root		25		
		1	gal. Porto Rico molasses		60		
		$\frac{1}{2}$	dbl. Pillsbury's Best flour	3	50	4	83
						8	24
Feb.							
	2		By 1 bu. pea beans	2	50		
	15		" Cash to bal. %	5	74	8	24

Paid,

Joseph Dame.

4. MONTHLY STATEMENT.

Boston, Mass., Mar. 15, 1892Mr. Judson W. Shaw

In account with D. C. HEATH & CO.,

5 SOMERSET STREET.

Terms Cash.

1892.			Dr.				
Feb.	3	1	doz. Amer. Citizen		10	80	
	15	2	" Hyde's First Lessons @ 4.20		8	40	
Mar.	3	1	" Stud. in Am. History		13	50	
					32	70	
			Less $\frac{1}{4}$ dis.		5	45	27 25
Mar.				Cr.			
	10		By Cash		10	00	
	15		" " to bal.		17	25	27 25

Rec'd Paym't,

D. C. Heath & Co.

Make three itemized bills under three different dates, of four items in each date, one for farm products, one for a furniture dealer, and one for a carpet dealer, and receipt them.

5. RECEIPTED BILL.

5 Somerset Street, Boston, Mass., *Feb. 29,* 1892.

MRS. MARY JENKS,
W. SOMERVILLE, MASS.,

To D. C. HEATH & CO., Dr.
PUBLISHERS.

Rent of house 18 Irving Street, W. Somerville, Mass., for month of Feb., 1892

35 00

Rec'd Paym't, Mar. 11, 1892,
D. C. Heath & Co.

Bills or Receipts for Rent should always specify the property for which rent is paid, the location (giving street and number if so identified), and give the termination of the time for which payment is made.

Make a bill for rent for each of the following: a store, dwelling-house, and blacksmith's shop, all in your place of residence.

6. STATEMENT.

Boston, Mass., *Mar. 20,* 1892.

Messrs. Wilson & Knowles,

Oberlin, O.,

In account with D. C. HEATH & CO.

Terms _____

1892					
Jan. 2	To account rendered	40	00		
15	" Mdse.	21	20		
Feb. 15	" "	9	00	70	20
/92					
Feb. 20	By Cash			50	00

Make out and receipt the above bill, with cash to balance the amount due, and sign the creditor's name per yours. Also one making Wilson & Knowles the creditors.

7. STATEMENT.

Boston, Mass., *May 24,* 1892.

D. C. HEATH & CO.

Sold to *Town of Limerick, Me.*

1891

<i>Dec. 1</i>	<i>Mdse. as per bill rendered</i>	<i>45</i>	<i>25</i>		
<i>1892</i>					
<i>Jan. 10</i>	<i>5 doz. American Citizen @ 9.00 net</i>	<i>45</i>	<i>00</i>		
<i>Apr. 12</i>	<i>6 " Shaw's Practice Book @ 3.50</i>	<i>21</i>	<i>00</i>	<i>111</i>	<i>25</i>
<i>1892</i>	<i>Cr.</i>				
<i>Apr. 12</i>	<i>By cash</i>			<i>60</i>	<i>00</i>

"Please remit," as a special dun, is frequently put on a bill which has been standing longer than it ought.

Make three bills as follows: one "in account with," one "Dr. to," and one "Sold to," using six items of charge for each, with one or more credits and cash to balance. Receipt them.

BUSINESS LETTERS.

To write readily a good business letter is a great accomplishment. It not only requires the stating of our ideas in the fewest possible words, but their systematic arrangement, making them pointed and our meaning clearly understood, and yet expressing them happily, so they will not give unintended offence. It requires a correct use of capital letters and punctuation marks, good spelling, and an ability to write with ease and grace.

To do this usually requires long-continued practice; hence teachers should give this branch much attention. It is well to have a scholar write and rewrite a letter several times, each time condensing and rearranging. This secures brevity and system, and is a helpful practice in business writing.

Strangers judge of the writer much by the general appearance of the letter, the method of its arrangement, its spelling, use of capitals, and the spirit in which the ideas are expressed; also by any apparent carelessness which may appear in it.

The author was recently shown a letter from a teacher accepting a school offered her, in which she used the word "except" three times for "accept." This was sheer carelessness and gave a very unfavorable impression to the committee.

For constant reference in spelling and definitions always have a dictionary at hand.

Materials.—Writing appears much better on good paper than on poor. Hence in writing letters it is better to use a good quality of paper and envelopes.

Common note and letter size with envelopes to match are in more general use. White or bluish tint, for color. Never use less than a half sheet for letters or bills. It is in good taste to use either ruled or unruled paper for letters. Unruled, gives one the advantage of being able to write either compactly or in well-spaced lines, and looks much better when the page is properly written. The habit of writing on unruled paper can readily be acquired by using a straight-edged blotter as a guide, or heavily ruled paper under the sheet on which you write.

Ink.—For all purposes black or fluid inks are the best. Purple and violet are very liable to fade. **Never** write letters with red ink.

Answers.—Business letters, except those disrespectful or so considered, should be answered. An insulting letter, or one so considered, may be returned as such without comment.

Promptness.—It is said that Ex-Senator Hamlin never allowed a letter requiring a reply to remain over night unanswered. Delay with those not in regular correspondence often shows incivility and may be a source of great inconvenience to the writer. Promptness in business inspires confidence and promotes good feeling. **Be Prompt.**

Penmanship.—In letter-writing be sure and take pains to make it legible. One has no right to impose upon a correspondent by sending an unintelligibly written letter, which may require an hour or more to study out.

This unfortunate practice of poor and careless penmen is an unpardonable imposition and should be corrected. We have often been shown letters whose signatures could not be made out.

In signing a letter or any business paper, be very careful to write the name in full and **plainly**, as it may go to the Dead Letter Office, either because of removal, or the death of the party addressed, or on account of failure to properly direct, or to prepay postage. It takes but a moment, and your carelessness may cost the receiver much time.

In writing of all kinds, make your handwriting uniform. Make each kind of letters, the small, the loop, or the extended, as nearly uniform as possible—*i.e.* the small letters about the same height, spaces between the letters uniform, and the **down strokes** always **parallel**. This done, you will present a good-looking page.

We suggest again, have **method** in all your writing, and especially in letter-writing, presenting clearly and by itself each thought you wish to enforce. In ordering any wares write the orders by themselves. Be particular to paragraph your letters.

Wax.—Formerly wax was much used in sealing letters and packages, but these, for the most part, are now sealed with adhesive gum and can easily be opened and resealed without detection.

But even now express and other sealed packages are made much safer by the use of sealing-wax. With letters of special importance that need particular protection, it is better and allowable by custom to use wax. Red or any fancy color gives finish to a note or letter.

The following are some of the forms of business letters: —

1. LETTER OF INTRODUCTION.

BOSTON, MASS., Apr. 10, 1892.

TO WHOM IT MAY CONCERN:—

The bearer, Mr. Henry T. True, is well known to us as a practical book-keeper and a ready and reliable clerk. We cheerfully recommend him to any one needing the services of a young man in either of these lines.

Respectfully,

D. C. HEATH & Co.

2.

LORING, SHORT & HARMON,

PORTLAND, ME.,

Gentlemen: Allow me to introduce to you Mr. Harry M. Barrows, whom we have known well for several years. He is well educated and has had a good business training. He goes to your city to seek employment, and at my suggestion will consult you. If you have need of such help or can refer him to any firm or person for employment, you may rest assured he will prove trustworthy and efficient. Any favors you may show him will be gratefully received.

Truly yours,

C. H. SAVILLE.

3. LETTER ACCOMPANYING A STATEMENT OF ACCOUNT.

BOSTON, MASS., Apr. 1, 1892.

WILSON & KNOWLES,

OBERLIN, O.,

Dear Sirs: Enclosed please find statement of your account with us to date. If you find it correct, and convenient, we should be grateful for an early remittance.

Truly yours,

D. C. HEATH & Co.

4. REPLY WITH REMITTANCE.

OBERLIN, O., Apr. 4, 1892.

D. C. HEATH & Co.,

BOSTON, MASS.,

Gentlemen: Yours of the 1st inst. duly received, with your statement of account, which we find correct. Enclosed find check for one hundred ninety-five dollars (\$195) which please pass to our credit.

Truly yours,

WILSON & KNOWLES.

Per S.

5. ACKNOWLEDGMENT.

BOSTON, MASS., Apr. 11, 1892.

WILSON & KNOWLES,

Gentlemen: Your letter with check for one hundred ninety-five dollars inclosed to balance $\%$ is duly received, for which accept our thanks.

Respectfully yours,

D. C. HEATH & Co.

~~~~~

Make out a statement under date of Feb. 28, and send to Harry Goodwin, with a letter suggesting you inclose statement of  $\%$ , and ask if it will be convenient for him to forward the balance due in apples as he suggested.

## 6.

ANDOVER, MASS., Feb. 28, 1892.

MR. HARRY GOODWIN,

*Dear Sir:* We inclose statement of your account, and should be pleased to have you bring balance in apples as soon as you find it convenient.

Respectfully yours,

JOSEPH DAME.

Per M. W. RICH.

The more common practice in sending a statement is to write at the bottom of the page, if payment has been too long delayed, the words "Please remit" or "Please remit at once."

## 7. ORDER.

GARDNER, MASS., May 1, 1892.

MESSRS. WRIGHT &amp; DITSON,

BOSTON, MASS.,

*Dear Sirs:* Please send me by return of express a Wentworth racket, 13 oz. weight. I inclose money order for the same, five  $\frac{50}{100}$  dollars (\$5.50), the advertised price.

Respectfully yours,

JOHN L. SMITH,

GARDNER, MASS.

## 8. ORDER FOR GOODS.

ANDOVER, MASS., 4/23/92.

COBB, BATES &amp; YERXA,

BOSTON, MASS.,

*Gentlemen:* Please send me by express the following goods with bill as per your price list just received.

|                                   |                 |
|-----------------------------------|-----------------|
| 2 lbs. Old Java coffee, best      | @ 36¢           |
| 1 lb. Oolong tea                  | 75¢             |
| 1 bbl. Pillsbury's best flour     | \$6.50          |
| 10 lbs. crushed wheat             | 4½¢             |
| 20 " Arlington wheat meal         | 4¢              |
| 20 " granulated sugar             | 4½¢             |
| 5 " Muscatel raisins, nice        | 12¢             |
| 2 " Valencia "                    | 8¢              |
| 5 " Bordeaux prunes               | 12¢             |
| 4 " evaporated apples             | 12¢             |
| 5 " " yellow peaches              | 12¢             |
| ½ doz. cans yellow peaches        | \$1.20 per doz. |
| ½ " " Florida sliced pineapples   | 2.60 " "        |
| ½ " " Bacon's tomatoes            | 1.20 " "        |
| ½ " " Sandy River corn            | 1.40 " "        |
| ½ " " Honey Drop succotash        | 1.65 " "        |
| 2 cans lunch ox tongue, 1½ lbs.   | 55¢             |
| 2 " Cowdrey's dried beef          | 25¢             |
| 2 " pea soup, large               | 33¢             |
| 1 lb. Duryea's Satin Gloss starch | 8¢              |

Respectfully yours,

Ship to my address as follows.

JUDSON W. SHAW,

ANDOVER, MASS.

## REVIEW QUESTIONS.

(1) What special points should be aimed at in writing business letters?

*Answer.* To express our ideas systematically and in the fewest words; to write pointedly, and yet happily, so as not to give unintended offence; to write with ease and grace, and use capital letters and punctuation marks correctly.

(2) What is said about rewriting letters? What is the advantage of such a practice?

(3) How do strangers judge of us by our letters?

(4) What is said about carelessness in letter-writing? Meaning of "except" and "accept"?

(5) Why should a dictionary be used while writing letters?

(6) What is said about the material used? Why good paper? What colors?

(7) What is said about using ruled or unruled paper?

(8) Which is the preferable color for ink? Why not use purple or violet?

(9) What is said about an insulting letter? About promptness?

(10) What is said about poor penmanship in letter-writing and the signature?

(11) What is said about the use of sealing-wax? What about writing orders?

## NOTES.

A note, or promissory note, is a written promise to pay a specified sum of money at a certain time.

The signer of the note is called the **maker**.

The person to whom it is made payable is called the **payee**.

Notes are written as interest bearing and not interest bearing; as negotiable, *i.e.* transferable; or non-negotiable, *i.e.* not transferable.

The following examples will illustrate the different forms or kinds of notes on which scholars should be drilled until they can write and explain them without hesitation. They should be trained first on the more common forms, not only to write and punctuate them correctly, but to show how to transfer a negotiable note, to endorse payments, etc.

The first examples are in more common use. It is better to commence the training in the writing and transfer of notes, endorsement of payments, etc., with these simple forms.

Teachers should take special pains to explain the following points:

The form of a negotiable note;

Why the words "pay to the **order** of" are used,

That a time note is one written as payable on a fixed date;

That it is better to put into the note "value received" to save proving that value has been received if required to do this, although these words are not necessary to make the note legal;

That by omitting the words "with interest" as in the first example, makes it a non-interest-bearing note, on which interest is not collectible up to the date of its maturity, though it bears interest after that date if not then paid;

That three days' grace are always allowed on time paper, *i.e.* in the first example the three months would expire July 20, 1892, but payment would not be due until July 23;

That a note endorsed by a third party and discounted by a bank, if not paid at maturity, is "protested," to hold the endorser responsible for its payment;

That in New England unwitnessed notes held for six years **after maturity** without having anything paid on them become outlawed—not collectible. In several of the other states the time for becoming outlawed is six years, but in most states the time varies. The same is true of charges or accounts;

That if no rate of interest is stated in the note the legal interest of the state is always understood;

That an endorser is a person who writes his name on the back of the note and so becomes surety for its payment, unless he specifies his release by the words "without recourse";

That a note dated Dec. 28, 29, 30, or 31, on two months, would be payable Mar. 3, February having only 28 days, which are held in law as a month.



## 1. NEGOTIABLE NON-INTEREST-BEARING NOTE.

To Sam'l V. Dame  
 From Henry M. Mear  
 Date Boston, Apr. 20/92.  
 Time four months  
 Due Aug. 20-23/92.  
 No. 34  
 Amount \$125.45

\$125.45  
 Boston, Mass., Apr. 20, 1892.  
 Four months after date. I promise to pay to  
 the order of Samuel V. Dame  
one hundred twenty five <sup>45</sup>  
100 dollars  
 at  
 Value received.  
 No. 34 Due Aug. 20 — 23, 1892. Henry M. Mear

By writing "to the order of" this note can be made payable to whom Mr. Dame orders it paid; hence is called negotiable or transferable. If not paid when due, interest can be collected from that date.

## 2. NEGOTIABLE INTEREST-BEARING NOTE.

To D. C. Heath & Co.  
 From George L. Hilton  
 Date Mar. 15, 1892.  
 Time three months  
 Due June 15-18/92.  
 No. 35  
 Amount \$110.45

\$110.45  
 Boston, Mass., Mar. 15, 1892.  
 Three months after date. I promise to pay to  
 the order of D. C. Heath & Co.  
one hundred and ten <sup>45</sup>  
100 dollars  
 with interest.  
 Value received.  
 No. 35 Due June 15 — 18th, 1892. George L. Hilton

The legal interest of the state can be collected on this note from its date. It is also negotiable; explain why. If the promise to pay was to D. C. Heath & Co., without the order, would it be transferable? What words are necessary to have in it, to collect interest from its date?

3. NEGOTIABLE INTEREST-BEARING NOTE.

|                              |          |                                |
|------------------------------|----------|--------------------------------|
| To <i>Smith &amp; Mankin</i> | \$150.25 | Andover, Mass., Mar. 15, 1892. |
| From <i>Joseph Dame</i>      |          |                                |
| Date <i>Mar. 15, 1892.</i>   |          |                                |
| Time <i>six months</i>       |          |                                |
| Due <i>Sept. 15-18/92.</i>   |          |                                |
| No. <i>152</i>               |          |                                |
| Amount <i>\$150.25</i>       |          |                                |

|                                        |                           |                   |                            |
|----------------------------------------|---------------------------|-------------------|----------------------------|
| the order of <i>Smith &amp; Mankin</i> | <i>Six months</i>         | <i>after date</i> | <i>I promise to pay to</i> |
| <i>one hundred fifty</i>               |                           |                   |                            |
| <i>25</i>                              |                           |                   |                            |
| <i>100</i>                             |                           |                   |                            |
| with interest.                         |                           |                   |                            |
| Value received.                        |                           |                   |                            |
| No. <i>152</i>                         | Due <i>Sept. 15-18/92</i> |                   | <i>Joseph Dame</i>         |

FORMS OF ENDORSEMENT.

- (1) If Smith & Mankin wished to transfer this note to James Mann, they would write across its back, by which they would be held responsible if not paid by Dame, *Pay to the order of James Mann. Smith & Mankin.*
- (2) To transfer with the agreement that James Mann should hold the note until paid, they might write across its back, which makes it non-negotiable, *Pay to James Mann only. Smith & Mankin.*
- (3) To transfer it and not be held for its payment if not paid by Dame, they write across its back, *Without recourse; Smith & Mankin; or Pay to the order of James Mann, without recourse. Smith & Mankin.*
- (4) To make it payable to the bearer, or any one holding it, they might write on its back simply, — better across its back for endorsements, *Smith & Mankin.*
- (5) Should payment be made on the note, the amount paid and the date of payment should be endorsed across its back — better by the maker, *May 10th, 1892, received on the within note, seventy-five dollars.*
- (6) To make the Merchants' National Bank agent to collect the note (so with any appointed agent's name), they might write on its back, *Pay to the order of Merchants' National Bank, Boston, for collection, for account of James Mann. Smith & Mankin.*
- (7) To hold Smith & Mankin liable as surety without a formal protest or giving notice, the following endorsement can be used, *Notice and protest waived. Smith & Mankin.*

## 4. JOINT NOTE.—NEGOTIABLE.

|        |                                |  |
|--------|--------------------------------|--|
| To     | Alekerson White                |  |
| From   | Mary J. Pierce<br>James Pierce |  |
| Date   | Chicago, Apr. 10/92            |  |
| Time   | 60 days                        |  |
| Due    | June 10-13                     |  |
| No.    | 163                            |  |
| Amount | \$140.40                       |  |

|                   |                                |
|-------------------|--------------------------------|
| \$140.40          | Chicago, April 11, 1892        |
| Sixty days        | from date we promise to pay to |
| the order of      | Alekerson White, at his office |
| one hundred forty | 40 dollars.                    |
| Value received.   | 100                            |
|                   | Mary J. Pierce                 |
|                   | James Pierce                   |
| No. 163           |                                |

Explain the difference between an interest-bearing and non-interest-bearing note; between an individual or firm and a joint note.

Write an interest-bearing note, and transfer to D. C. Heath & C. so White will be held responsible, and a second note so he will not be responsible, if not paid by Mary J. Pierce and James Pierce. Each person who signs a joint note is held liable for his share only.

Write a personal or individual note in favor of D. C. Heath & Co., payable in thirty days, interest-bearing; sign your own name. Have it transferred to John Hook.

## 5. DEMAND NEGOTIABLE NOTE.

|        |                    |  |
|--------|--------------------|--|
| To     | Henry J. Somes     |  |
| From   | Miera Wilson       |  |
| Date   | Boston, Mar. 30/92 |  |
| Time   | demand             |  |
| Due    | on demand          |  |
| No.    | 64                 |  |
| Amount | \$838.00           |  |

|                            |                                               |
|----------------------------|-----------------------------------------------|
| \$838.00                   | Boston, Mass., Mar. 30, 1892                  |
| On demand                  | I promise to pay to                           |
| the order of               | Henry J. Somes                                |
| eight hundred thirty-eight | dollars,                                      |
| at                         | my office, Boston, Mass., with interest at 5% |
| Value received.            |                                               |
| No. 64 Due on demand       | Miera Wilson                                  |

Write a demand note without interest, also one at 7% interest, using the above names of Somes and Wilson as receiver and signer. Could Wilson, if the note is so written, legally collect 7% interest in Massachusetts? Could he, if written and collected in your state? Time notes are now much more in use than demand notes. Explain the difference between a demand and time note.

## 6. JOINT AND SEVERAL INTEREST-BEARING NOTE.

|                                                                                                                                                                                                                                                                         |                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| \$375.66<br>On or before <u>June 4, 1893,</u> we jointly and severally promise to pay<br>to the order of <u>Peter V. Hanlon</u><br><u>three hundred seventy-five</u> <sup>66</sup> / <sub>100</sub> dollars,<br>value received, with interest at <u>seven per cent.</u> | <u>New York, N.Y., Jan. 4, 1892</u><br><br><u>Jorannus Shaw</u><br><u>A. Miera Shaw</u> |
| No. _____                                                                                                                                                                                                                                                               |                                                                                         |

A note written in the above form can be paid any time before its maturity if so desired by the signers or makers. The signers of a joint and several note are held collectively and individually for its payment in full.

Write a joint interest-bearing, time, negotiable note, signing two or more names as the makers; also a joint interest-bearing demand note; also a joint non-interest-bearing time note, which is not negotiable, and a joint-several note. Explain the difference between the different kinds.

## 7. FORM OF A BANK NOTE.

|                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| \$445.60<br>Five years after date we promise to pay<br>to the order of <u>THE MAINE SAVINGS BANK,</u><br><u>four hundred forty-five</u> <sup>60</sup> / <sub>100</sub> dollars,<br>with interest until said sum is wholly paid, at <u>seven</u><br>per cent per annum, payable semi-annually, and interest on all over-due interest at<br>the same rate.<br>Value received.<br>Witness <u>Geleg Zimmerman</u><br>No. _____ | <u>Portland, Me., May 6, 1892</u><br><br><u>Miear V. Dagon</u><br><u>A. W. V. Dagon</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|

How long will a witnessed note hold good, or collectible, in your state, if no payments are made on it? or from the last payment? What effect does the signature of a witness have on a note?

## REVIEW QUESTIONS.

- (1) What is a promissory note ?
- (2) What is the signer called ?
- (3) Who is the payee ?
- (4) What is the difference between a negotiable and non-negotiable note ?
- (5) Show the difference by writing specimens of each kind.
- (6) What is a time note ?
- (7) How is a demand note written ?
- (8) When are each payable ?
- (9) How is an interest-bearing note written ?
- (10) A non-interest-bearing note ?
- (11) Explain the difference between the two, and show samples of each.
- (12) Can interest be collected on a non-interest written time note ? If so, when ?
- (13) What is meant by three days' grace ?
- (14) What is meant by protesting a note ?
- (15) When and for what purpose is a note protested ?
- (16) If one note is written on sixty days and another on two months, are they collectible the same day ?
- (17) Why not ?
- (18) Explain how the time is reckoned for each.
- (19) Can a note be collected if it does not contain the words, "value received" ?
- (20) What may be necessary to make such a

collection if payment was refused on account of not containing "value received" ?

(21) How long, in the New England states, will a note hold good, or collectible, without having any payment endorsed on it ?

(22) To keep it good more than six years after maturity, what must be done ?

(23) How about the length of time a note or account in the other states is held good without any payment, or can be kept good ?

(24) What words must be written in a time note to make it interest-bearing from date ?

(25) If no rate of interest is mentioned in the note, what rate is collectible ?

(26) For one to transfer a note to another what is necessary ?

(27) By simply signing his name on the back of the note, what must he do if not paid by the maker ?

(28) How can he endorse it without becoming responsible for its payment ?

(29) When partial payments are made on a note, what should be done to show said payments ?

(30) If Smith & Mankin wished to put the note in the bank for collection, what would they endorse on its back ?

(31) What effect does the signature of a witness have on a note ?

(32) How can a note be written so it can be paid at the will of the maker ?

## BANK CHECKS.

A **check** is an order on a bank, drawn for a sum of money, by a person who has or is supposed to have sufficient funds in the bank to pay the amount it specifies.

Checks are very convenient for business men, and hence are extensively used. A merchant in Boston orders of a firm in New York \$500 worth of goods. Instead of spending the time to count out that worth of bills, silver, or gold, and send by express, he deposits the amount in a bank, and draws a check which he can send for its payment in a letter.

A large proportion of business men keep a deposit of money in banks, and give checks in payment for bills or debts as they need to draw for use. They find banks not only a safe place in which to keep their money, but a great convenience, as these checks are cashed by banks and persons in other places.

I. V. Jones & Co. of Portland, Me., owe M. Z. Simmons of Boston fifty dollars, for which amount they draw a check payable to Simmons, who, on its receipt, by writing his name on the back of it just the **same as appears on its face**, can take it to some bank or friend and get fifty dollars in money, or he can use it to pay debts with if he prefers.

Should he pass it to Harry Nelson, and Nelson to Thomas Higgs, each receiver should sign his name on its back before passing it to the next.

In case there are several endorsements on it, the last endorser is liable to the holder, the last endorser but one is liable to the endorser and holder, and so on back to each of the endorsers, each being responsible to the succeeding one.

If the maker of the check has not sufficient funds in the bank to cash it, and the bank refuses to do so, the drawer is held responsible for its payment.

If a check is drawn payable at a future date, it is not to be presented for payment until the expiration of the time specified.

Checks are supposed to be presented for payment as soon as received or soon after. If not presented in due time, and the bank or party sending it should fail, the holder sustains its loss.

They are usually written payable "to order," though are sometimes written payable "to bearer," if to be presented for immediate payment.

If one fears to carry much money on account of the risk of losing it, he can draw a check and have the cashier of the bank write on its face "good," and affix his official signature, when the bank becomes responsible for its amount. It is then called a "certified" check. If stolen or lost, he looks to the bank for its payment.

Notes made and executed on Sunday are **invalid**, but a check so dated is **not invalid**. In some states, no defence can be made to such a note until the consideration is restored. Checks as well as bank bills are frequently required on Sunday for church work.

If a bank cashes a forged check, it loses the amount, and not the person whose name is forged.

No days of **grace** are allowed on checks, as they are usually an order for immediate payment.

A check may be signed with pen, pencil, or the mark.

In writing checks, drafts, orders, or notes, care should be taken to write the amount in figures close to the sign of dollars, and to draw heavy lines before and after the written amount, so as to prevent further insertions, as such papers without the lines are sometimes **raised** to larger sums. Thus, a check written for fifty dollars, might easily be changed to \$150, if the space before the fifty was left vacant and there was room for the figure 1 between the sign \$ and 50.

A check made payable to "self" requires the name on the back, the same as if payable to any one else.

In such papers, when the amount expressed in figures and writing disagree, the writing holds good. Be careful to make them agree.

A check if lost can be duplicated. In such a case, notify the bank, so that payment of the lost check may be stopped.

An authorized stamped endorsement is binding.

The one who makes and signs the check is called the **drawer**.

The bank on which it is drawn is called the **drawee**.

The person or the party to whom it is made payable is called the **payee**.

## 1. BANK CHECK TO ORDER OF.

*Massachusetts.*

Date *Boston, Feb. 15/92*

To *Micah Hammond*

By *Ella P. Desmond*

*Thirty* dollars

No. *6711*

**The School National Bank of Boston,**

*Boston, Feb. 15, 1892 No. 6711*

Pay to the order of *Micah Hammond* \$30.

*Thirty* dollars.

in school currency.

*Ella P. Desmond*

By signing his name on the back of this check, Micah Hammond can step to the bank on which it is drawn, and receive the amount in money, if Ella P. Desmond has enough on deposit there; or he can write on its back "Pay to the order of" any one, and sign his name, in which case he becomes surety to the next holder if not paid by Desmond; or he can sign his name simply and transfer it, which is the more common way of endorsement. If the maker is responsible, he could draw it at any bank where he is known, or transfer it to any party by endorsing it. — Write three checks payable to three of your mates or neighbors, and have them transferred to three different holders.

## 2. BANK CHECK TO PAYEE OR BEARER.

No. *6713*

*Boston, Mass., May 10, 1892*

**The School National Bank of Boston,**

Pay to *Micah J. Simmons or bearer* \$35.60

*Thirty-five* dollars.

in school currency.

*Henry James & Co.*

No. *6713*

Date *May 10/92*

To *Micah J. Simmons*

By *Henry James & Co.*

Amount *\$35.60*

By writing this check to Simmons or bearer, any one holding it can draw the amount, if known to the bank officials, or can be identified for them. — Teachers should explain that "school currency" or "school" is not used in bank business, and the reason why they are inserted in this practice; also why the lines are drawn before and after "thirty" and "thirty-five" in the first and second forms; also the difference between the written form of No. 1 and No. 2; that by endorsing "pay to the order of" makes it payable to the party only to whom Hammond ordered it paid; that had Henry James & Co. written instead of "to Micah J. Simmons or bearer" simply the word "bearer," it would be a negotiable check without endorsement; that had Ella P. Desmond wished to draw from her deposit in The School National Bank for personal use, she could have written in the check the word "myself" instead of "Micah Hammond," when it would read "pay to the order of myself." — Write two such checks, and one payable to the bearer.



## 3. NON-NEGOTIABLE CHECK.

|                                |                              |
|--------------------------------|------------------------------|
| No. 6713                       | Andover, Mass., May 12, 1892 |
| NASSAU NATIONAL BANK,          |                              |
| Pay to                         | Harry V. Barrows             |
| Amount                         | \$32.65                      |
| Thirty-two and 65/100 dollars. |                              |
| Mrs. Sarah H. Barrows          |                              |

|        |                       |
|--------|-----------------------|
| Date   | Andover, May 12/92    |
| To     | Harry V. Barrows      |
| By     | Mrs. Sarah H. Barrows |
| Amount | \$32.65               |
| No.    | 6713                  |

## REVIEW QUESTIONS.

- (1) What is a bank check?
- (2) How are they usually written?
- (3) Explain the difference between a check written payable to order or to bearer.
- (4) If one carries a check some time after received, and the bank should fail, what often happens?
- (5) If the drawer has not funds in the bank, and payment is refused, to whom must the holder look?
- (6) When should a time check be presented for payment?
- (7) What is said about the use of checks in business?
- (8) Explain how a merchant in Boston can pay a debt in New York most conveniently?
- (9) For what purpose do many business people keep bank deposits?
- (10) How is it a convenience for them? Explain fully.
- (11) Can a check be transferred?
- (12) In transferring a check, what must we do?
- (13) Does the endorsement of our name on a check hold us responsible?
- (14) Suppose a check passes through several hands, and the bank refuses to pay it, you being the holder, what would you do to get your money?
- (15) Is it safer to carry a check than bank bills or gold?
- (16) How can a check be made safe?
- (17) Explain how it can be made so.
- (18) If a bank cashes a forged check, who sustains the loss?
- (19) Is a check drawn on Sunday valid? Is a note?
- (20) Are days of grace usually allowed on checks?
- (21) Is a check good if signed with pencil or a mark?
- (22) How can one sign a check if he cannot write? (Ans. Make his mark or cross as he would on a note or deed.)
- (23) Why should heavy lines be drawn at the right, or right and left, of the amount specified in writing?
- (24) If the writing and figures do not express the same amount, which holds?
- (25) Explain who the drawer, drawee, and payee are.
- (26) If you hold a check, how can you draw it at the bank?
- (27) How can you transfer it to another?
- (28) If you have no bank deposit, can you get a cashier's check? Explain how.

## RECEIPTS.

A receipt is a written acknowledgment of money, goods, or service received. All receipts should contain the name of the town or city, date, for what given, how much received, from whom, and the name of the receiver. The amount should be written in the body of the receipt, and appear in figures at the left upper or lower corner.

In the payment of money, or of a debt, in part or in full, always take a receipt or a written paper showing the payment. Such papers should be carefully kept on file for ready reference.

## 1. RECEIPT.

|                               |                |                 |          |
|-------------------------------|----------------|-----------------|----------|
| \$55.25                       | Portland, Me., | July 8,         | 1892     |
| Received of Orlando A. Peters |                |                 |          |
| fifty-five                    |                | 25              | dollars, |
|                               |                | 100             |          |
| on account.                   |                |                 |          |
|                               |                | James M. Marvin |          |
|                               |                | Per Dame        |          |

## 2. RECEIPT IN FULL.

|                             |                |                |          |
|-----------------------------|----------------|----------------|----------|
| \$10.95                     | Boston, Mass., | Apr. 20,       | 1892     |
| Received of Henry W. Dawson |                |                |          |
| ten                         |                | 95             | dollars, |
|                             |                | 100            |          |
| in full of account to date. |                |                |          |
|                             |                | Smith & Mankin |          |

## 3. RECEIPT FOR RENT.

|               |  |                             |  |
|---------------|--|-----------------------------|--|
| \$35.00       |  | Boston, Mass., Mar. 1, 1892 |  |
| Received from |  | Judson W. Shaw              |  |
| thirty-five   |  | dollars                     |  |
| For Rent of   |  | House No. 18 Irving Street, |  |
| for           |  | month ending Feb. 1892      |  |
| No.           |  | D. C. Heath & Co.           |  |

From J. W. Shaw  
 For House, 18 Irving St.  
 Time Feb. 192  
 Amount \$35  
 No.

Receipts are more commonly given for rent than receipted bills. In giving either a receipt or receipted bill, always be particular to name the property and time for which rent is paid.

## REVIEW QUESTIONS.

- (1) What is a receipt?
- (2) What should every receipt contain?
- (3) Why should it state how much and what is received?
- (4) Why should it state from whom and the name of the receiver?
- (5) Where should the amount received appear, and why?
- (6) What are the special advantages of receipts?

Bills and receipts should be carefully folded, and labelled with name, date, and amount they specify, at the top, and placed on file, for at least six years.

## DRAFTS.

A **draft** is an order drawn by one person or firm addressed to another person or firm, directing the payment of money to a third party or his order, or to the maker, at a certain time. They are usually drawn payable at sight, or a specified time after sight or date.

If made payable after sight, it is usually presented to the drawee for his approval, which he indicates by writing diagonally across the face of the draft the word, "Accepted," with the date and his signature. This is his guarantee, or his promise, to pay at the specified time. The days of credit are counted from the date of acceptance. Usually three days' grace is allowed on such drafts. The acceptance by a firm is indicated in the same way as by an individual. An accepted draft is in effect a promissory note, and is collectible and negotiable in the same manner as a note.

Draft No. 2 is the more common form, which may be called a **collection draft**. It is made to hasten payment.

Twenty-four hours is usually allowed by banks for payment of a sight draft before protesting it; but a demand draft is protested before the close of the day's business if not paid on presentation.

A **protest** is a statement by a notary public, signed and sealed, that he has presented the bill to the proper parties and at the proper time and place for acceptance or payment, and that it was refused.

Protest may be made of a draft, check, order, or promissory note with an endorser, usually for the purpose of evidence or to hold the endorser responsible, who is notified of the failure to pay.

It is not common to protest collection drafts. They are used to hasten payment of an over-due debt. Frequently parties sending such drafts put on the draft "no protest," or direct the agent into whose hands it is placed for collection not to protest it.

Drafts are also used as a great convenience for business men. Suppose Newcomb of Boston owes Perkinson of New York City \$500, and Nutter of New York owes Newcomb the same amount, both due the same day. Newcomb could send the order to his creditor, and ask Nutter to pay Perkinson that amount. This would require no transfer of money between the cities, and would be a convenience to all concerned.

## 1. TIME DRAFT.

|                                                   |                                          |
|---------------------------------------------------|------------------------------------------|
| \$500.                                            | Boston, Mass., May 6, 1892               |
| Thirty days                                       | after sight                              |
| order of                                          | J. C. Perkinson                          |
| five hundred                                      |                                          |
| value received, and charge the same to account of | Accepted May 7, 1892,<br>Lyman A. Nutter |
| To Lyman A. Nutter,                               |                                          |
| No. 10                                            | New York, N.Y.                           |
|                                                   | Mellen V. Newcomb                        |

## 3. SIGHT COLLECTION DRAFT.

*\$225* *Boston, Mass., Mar. 10, 1892*

At *Sight, pay to the Order of*

**CENTRAL NATIONAL BANK OF BOSTON,**

*Two hundred and twenty-five* *100* *dollars.*

*Value received and charge to account of*

To *Mike Denner & Co.,* } *D. C. HEATH & CO.*

No. *33* *Lowell, Mass.* }

NO PROTEST. Take this off before presenting.

Date *Mar. 10/92*

To *Mike Denner & Co.*

From *D. C. Heath & Co.*

Pay to *Central Nat. Bank*

Time *Sight*

Amount *\$225*

## 3. DEMAND COLLECTION DRAFT.

*\$75* *Boston, Mass., Mar. 24, 1892*

*On demand* *Pay to the*

order of *D. C. Heath & Co.*

*Seventy-five* *dollars.*

*Value received and charge the same to account of*

To *John Smith,* } *D. C. Heath & Co.*

No. *34* *Providence, R.I.* }

Date *Mar. 24/92*

To *John Smith*

From *D. C. Heath & Co.*

Pay to *D. C. Heath & Co.*

Time *On demand*

Amount *\$75*

## MEMORANDA.

June 10/92. J. V. Thompson, of Boston, Mass., orders True Mead, of Lawrence, Mass., to pay at 60 days' sight John Ring or order \$150, which Mead accepted June 14/92. Write such a draft.

May 10/92. R. H. White & Co., Boston, ordered B. Z. Merrill & Co., of Portland, Me., to pay Hon. M. F. Ring \$1000, at 30 days' sight, which Merrill & Co. accepted May 12/92.

Write the draft and have it duly accepted. Better write the

acceptance with red ink. Write drafts on two of your acquaintances for \$100, each payable to friends, signing your own name. You can write it as payable in school money if you prefer.

Write three collection drafts according to the third form. Would such a draft be protested if not paid on demand, and no request not to protest?

## REVIEW QUESTIONS.

- (1) What is a draft?
- (2) Explain the difference between a draft and a bank check.
- (3) How many parties are usually mentioned in a draft? Name them.
- (4) For what is a draft generally drawn?
- (5) If made payable after sight, what is usually done to secure its guaranteed payment?
- (6) What effect does the word "accepted," with the date and signature, have on the draft?
- (7) What is a collection draft? What drawn for?
- (8) How long do banks usually allow on sight drafts? on demand drafts?
- (9) If not paid on presenting a demand draft, what is done? (Frequently the words "no protest" is printed on the drafts, in which case it is not protested. Often in collection drafts it is understood if not duly paid that it is not to be protested.)
- (10) What is a protest?
- (11) Name some of the business papers subject to protest.
- (12) Explain how drafts are often used by business men to save a transfer of money.

## ORDERS.

An **order** is similar to a sight draft. Usually an order is addressed to a party residing in the immediate vicinity of the drawer, while a draft is addressed to one farther removed. An "order may be drawn payable in money or in chattels."

## 1. NON-NEGOTIABLE ORDER.

|                                                                    |                                   |
|--------------------------------------------------------------------|-----------------------------------|
| \$25.00.                                                           | Somerville, Mass., April 8, 1892. |
| Mr. Reuel J. Tomes,                                                | Please let Marvin Hiller have     |
| ~~~~~twenty-five~~~~~ dollars                                      |                                   |
| in merchandise from your store, and charge the same to my account. |                                   |
| Mary D. Latham.                                                    |                                   |

## 2. NEGOTIABLE ORDER.

|                                                           |                                        |
|-----------------------------------------------------------|----------------------------------------|
| \$16.90.                                                  | South Paris, Me., April 10, 1893.      |
| Mr. Hillman A. Bolster,                                   | Please pay to the order of C. M. Shaw, |
| ~~~~~sixteen~~~~~ <sup>90</sup> / <sub>100</sub> dollars, |                                        |
| and charge the same to my account.                        |                                        |
| Henry V. Donovan.                                         |                                        |

## 3. SAVINGS BANK ORDER.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <p><i>To the Treasurer of the Five Cents School Savings Bank, in the City of Boston.</i></p> <p><i>\$15.40</i> <span style="float: right;"><i>Boston, Mass., May 4, 1892</i></span></p> <p><i>Sir: Please pay</i> <span style="float: right;"><i>Mrs. Kettie J. Mason</i></span></p> <p><i>_____ fifteen _____</i> <span style="float: right;"><i>40</i></span> <i>dollars,</i></p> <p><i>_____</i> <span style="float: right;"><i>100</i></span></p> <p><i>and charge the same to account No. 4460</i></p> |                                                          |
| <p style="text-align: center;"><i>Witness to Signature</i></p> <p><i>Myna Zenas</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                     | <p style="text-align: right;"><i>Sophia I. Zenas</i></p> |

## MEMORANDA.

## No. 1.

Dennis Gibbs has worked for you to the amount of twelve dollars and fifty cents. Under date of June 12 you wish to give him an order on some merchant in your town or city to pay him in goods or merchandise. Write an order in your own name. Write three orders of a similar kind.

## No. 2.

Under date of May 4/92, James Vernon finishes painting your house, and wishes to get his hired man, Mercer Milan, fifteen dollars' worth of groceries of one of the grocers near you. Write an order for the \$15 for Milan, and take a receipt of James Vernon for the amount.

Write a similar order for the same amount in favor of James Vernon, and have it made payable to Mercer Milan.

Explain the difference between orders No. 1 and No. 2. Write three of each, your teacher suggesting the names of the parties which you are to use, and the amount for each order.

## No. 3.

You have \$300 deposited in a savings bank. You buy of Solon I. Cousens a house-lot, for which you are to pay \$125. You decide to draw this amount from your deposit, in favor of Cousens. The number of your book is 656. Write an order on the bank for that amount.

## REVIEW QUESTIONS.

- (1) How does an order differ from a sight draft?
- (2) In what may an order be drawn?
- (3) How is a non-negotiable order written?
- (4) How is a negotiable order written?

- (5) What words used make it negotiable?
- (6) How is an order on a savings bank written?
- (7) Why should the signature of the drawer be witnessed?

### MONEY ORDERS.

On the following page will be found an **application** for a postal **money order** duly filled. If you wish to pay money to one in some other place or at a distance, you can step to a post-office where they issue money orders, fill an application like the form on page 36, pay the amount specified to be sent, and the sum charged for issuing the order, when the postmaster or clerk will write you an order for the amount, payable at the post-office where you wish to have it paid (if it is a money order office; if not, he will write it on such an office nearest to the party to whom you wish to send it). This you can send in a letter, a duplicate of which, with the name of the party who sends it, and that of the person or firm to whom the amount is to be paid, is mailed by the postmaster where you get it, to the post-office on which the order is drawn.

The payee, on receipt of your order, can take it to the post-office on which it is drawn, and receive his money after signing his name, or he can order it paid to another party by endorsing it to this effect.

This is a very safe way of making payments, as the government is responsible for all orders thus issued.

### REVIEW QUESTIONS.

- |                                                                                                                                                             |                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| (1) To obtain a money order, what would you do first?                                                                                                       | (7) What would the party receiving your order do to get the money for it?                                                          |
| (2) What names would you use in filling the application?                                                                                                    | (8) Could he make it payable to another party? How?                                                                                |
| (3) How would the postmaster know the amount of money you wish to send or pay?                                                                              | (9) What is said of the "names of firms, places, and streets, as well as the numbers and amounts," on the back of the application? |
| (4) Can any post-office issue such an order?                                                                                                                | (10) Can a money order be made payable to more than one person or firm?                                                            |
| (5) After filling the application, what would you do to get the order?                                                                                      |                                                                                                                                    |
| (6) What would you have to pay for issuing an order for \$5 or less? for one over \$5 to \$10? over \$10 to \$15? over \$15 to \$30? and so on up to \$100? |                                                                                                                                    |



(No. 9001) — Application for Domestic Order.)

No. Amount \$  
 No. Amount \$  
 No. Amount \$

These numbers and amounts are to be written in by the Postmaster.  
 There being three blank spaces, more than one application is not needed, when the Remitter sends over \$100.

## APPLICATION FOR MONEY ORDER.

(To be filled up by the Remitter, or by some one for him, not employed in the Post Office.)

Date *South Paris, Me., May 9, 1892*  
 (Date must not be omitted.)

For the sum of *forty-five* DOLLARS  
 and *twenty-five* Cents. (\$ *45* <sup>*25*</sup>/<sub>*100*</sub>)

Payable at *Portland*  
 State of *Maine*

Payable to *Hussey J. Cross*  
 Town or City *Portland*  
 State of *Me.*

Residence or place of business of person to whom money is to be paid.  
 No. *144*, *Middle* Street,

Sent by *M. W. Leroy*  
 (Signature of Remitter to be written here.)

Residence or place of business of Remitter.  
 No. \_\_\_\_\_, \_\_\_\_\_ Street,  
 Town or City *South Paris*  
 State of *Maine*  
 (See other side.)

## FEES CHARGED FOR MONEY ORDERS.

For Orders for sums not exceeding \$ 2.50..... 3 cents.  
 Over \$ 2.50 and not exceeding \$ 5.00..... 5 cents.  
 Over \$ 5.00 and not exceeding \$ 10.00..... 8 cents.  
 Over \$10.00 and not exceeding \$ 20.00..... 10 cents.  
 Over \$20.00 and not exceeding \$ 30.00..... 12 cents.  
 Over \$30.00 and not exceeding \$ 40.00..... 15 cents.  
 Over \$40.00 and not exceeding \$ 50.00..... 18 cents.  
 Over \$50.00 and not exceeding \$ 60.00..... 20 cents.  
 Over \$60.00 and not exceeding \$ 75.00..... 25 cents.  
 Over \$75.00 and not exceeding \$100.00..... 30 cents.

NOTE. — The maximum amount for which a single Money Order may be issued at an office designated as a "Money Order Office" is \$100, and at an office designated as a "Limited Money Order Office," \$5. When a larger sum is to be sent, additional Orders must be obtained. But Postmasters are instructed to refuse to issue in one day to the same Remitter, and in favor of the same Payee, on any one Post Office of the fourth class, Money Orders amounting in the aggregate to more than \$300, as such office might not have funds sufficient for immediate payment of any large amount. Fractions of a cent are not to be introduced.

## WAIVER OF IDENTIFICATION.

The Remitter who desires to relieve the Payee or his indorsee or attorney from the inconvenience of proving identity at the office of payment, by the testimony of another person, may do so, at his own risk, by signing the following form:

## IDENTIFICATION OF PAYEE, INDORSEE OR ATTORNEY WAIVED.

Remitter.

If the Remitter signs this form the Issuing Postmaster must write or stamp across the face of the Advice these words, "IDENTIFICATION OF PAYEE, INDORSEE OR ATTORNEY WAIVED," and must add thereto his official signature.

NOTE. — In the application the given names of the Remitter and Payee, or the initials thereof, should precede their surnames, respectively. If the Payee has only one given name, it should be written in full, if known to the Remitter. For example, the name John Jones should be so written, and not as J. Jones. Observance of this rule will tend to prevent mistakes and delay in payment.

A Money Order must not be made payable to more than one person or firm. Names of firms, places and streets, as well as amounts, should be written in full and in the plainest manner possible. As in many cases there are several Post Offices of the same name in different States, the applicant should be very careful to write legibly the name of the State in which the office he means is located.

## ABBREVIATIONS AND SIGNS.

|                                   |                                      |                                     |
|-----------------------------------|--------------------------------------|-------------------------------------|
| Account.....%, Acct.              | Georgia.....Ga.                      | Page.....p.                         |
| Afternoon.....P.M.                | Gentlemen.....Messrs.                | Pages.....pp.                       |
| Agent.....Agt.                    | Gallon.....Gal.                      | Payment.....Pay't.                  |
| Alabama.....Ala.                  | Handkerchief.....Hdkf.               | Paid.....Pd.                        |
| Amount.....Amt.                   | Hogshead.....Hhd.                    | Pennsylvania.....Pa.                |
| And so forth.....&c., etc.        | Hundred.....Hund.                    | Peck.....Pk.                        |
| Answer.....Ans.                   | Honorable.....Hon.                   | Per cent.....%                      |
| April.....Apr.                    | Hundredweight.....Cwt.               | Package.....Pkg.                    |
| Arizona.....Ariz.                 | Illinois.....Ill.                    | Postmaster.....P.M.                 |
| Arkansas.....Ark.                 | Indiana.....Ind.                     | Post-Office.....P.O.                |
| Article.....Art.                  | Indian Territory.....Ind. Ter.       | Postscript.....P.S.                 |
| At.....@                          | Invoice Book.....I.B.                | Petty Cash Book.....P.C.B.          |
| August.....Aug.                   | Instant, the present month.....Inst. | Postal Note.....P.N.                |
| Avenue.....Ave.                   | Interest.....Int.                    | President.....Pres.                 |
| Bachelor of Arts.....A.B. or B.A. | January.....Jan.                     | Professor.....Prof.                 |
| Balance.....Bal.                  | Journal.....J.                       | Quart.....Qt.                       |
| Bank.....Bk.                      | Journal Folio.....J.F.               | Quarter.....Qr.                     |
| Before noon.....A.M.              | Junior.....Jr.                       | Quire.....Qr.                       |
| Bill Book.....B.B.                | Kansas.....Kans.                     | Railroad.....R.R.                   |
| Bill of Lading.....B.L.           | Kentucky.....Ky.                     | Received.....Rec'd.                 |
| Bills Payable.....B. Pay.         | Last month.....Ult.                  | Reverend.....Rev.                   |
| Bills Receivable.....B. Rec.      | Ledger.....L.                        | Rhode Island.....R.I.               |
| Bought.....Bot.                   | Louisiana.....La.                    | Saturday.....Sat.                   |
| Bundle.....Bdle.                  | Maine.....Me.                        | Secretary.....Sec.                  |
| Bushels, Bushel.....Bu.           | Manuscript.....MS.                   | September.....Sept.                 |
| By the hundred.....Per cent.      | Maryland.....Md.                     | South.....S.                        |
| By way of.....Via.                | March.....Mar.                       | South Carolina.....S.C.             |
| California.....Cal.               | Massachusetts.....Mass.              | South Dakota.....S. Dak.            |
| Care of.....c/o                   | Master of Arts.....A.M. or M.A.      | Street.....St.                      |
| Cash Book.....C.B.                | Member of Congress.....M.C.          | Sunday.....Sun.                     |
| Cents.....¢, ct.                  | Michigan.....Mich.                   | Superintendent.....Sup't.           |
| Chapter.....Chap.                 | Minnesota.....Minn.                  | Steamship.....S.S.                  |
| Check.....Chk.                    | Mississippi.....Miss.                | Telegraph or Telegram.....Tel.      |
| Check Mark.....✓                  | Missouri.....Mo.                     | Telephone.....Telp.                 |
| Company.....Co.                   | Montana.....Mont.                    | Tennessee.....Tenn.                 |
| Connecticut.....Conn.             | Mister.....Mr.                       | Texas.....Tex.                      |
| Colorado.....Colo.                | Mistress.....Mrs.                    | The same (ditto).....Do.            |
| Commission.....Com.               | Monday.....Mon.                      | Thursday.....Thurs.                 |
| Collect on Delivery.....C.O.D.    | Money Order.....M.O.                 | Tuesday.....Tues.                   |
| County.....Co.                    | Namely.....Viz.                      | United States.....U.S.              |
| Credit, Creditor.....Cr.          | Nebraska.....Neb.                    | United States of America.....U.S.A. |
| Day Book.....D.B.                 | Nevada.....Nev.                      | Vermont.....Vt.                     |
| Debtor.....Dr.                    | New England.....N.E.                 | Versus (against).....Vs.            |
| December.....Dec.                 | New Hampshire.....N.H.               | Virginia.....Va.                    |
| Delaware.....Del.                 | New Jersey.....N.J.                  | Washington.....Wash.                |
| Deposit.....Dep.                  | New Mexico.....N.M.                  | Way Bill.....W.B.                   |
| Discount.....Dis.                 | New York.....N.Y.                    | Wednesday.....Wed.                  |
| District of Columbia.....D.C.     | North America.....N.A.               | West.....W.                         |
| Ditto....."                       | North Carolina.....N.C.              | Weight.....Wt.                      |
| Dollars.....\$                    | North Dakota.....N.D.                | West Virginia.....W. Va.            |
| England.....Eng.                  | November.....Nov.                    | Wisconsin.....Wis.                  |
| Express.....Ex.                   | Note well or take notice.....N.B.    | Wyoming.....Wyo.                    |
| Esquire.....Esq.                  | Number.....#, No.                    |                                     |
| February.....Feb.                 | October.....Oct.                     | Yard, Yards.....Yd., Yds.           |
| Florida.....Fla.                  | Oklahoma.....Okla.                   | Year.....Yr.                        |
| For example.....e.g.              | Ounce or Ounces.....Oz.              |                                     |
| Foot, Feet.....Ft.                |                                      |                                     |

## SUGGESTIONS ON DRILL EXERCISES.

While our public schools were not designed to make experts in any department of life, they were intended to fit for intelligent citizenship. To learn how to record and post simple accounts, and to write readily business papers is an important branch of this school work.

The nearer our schools attain in their work to active business methods of loyal citizens the better it will prove for the individual and the state. Experience has shown that this knowledge is not acquired and permanently retained in a single term. It is the work of a long continued drill practice.

The following Test Examples and Exercises are given, to aid in carrying on this work. To these, teachers should add as time permits, and as the call and attainment of their scholars require. Much pains has been taken to use such words and names as will be of common occurrence in active life. In the preparation of test examples, special care should be taken to select words which are used in the various branches of industry, and with which the pupils in after years will have most to do.

In conducting this work, teachers should use such methods as they feel best adapted for their schools. But one of the most interesting and efficient ways which the author has seen was in a grammar school where the pupils conducted actual business work as follows:—

Having previously issued their cards as grocers, jewelers, milliners, dry goods dealers, publishers, booksellers, etc., the boys and girls were allowed for a given time (once or twice a week) to move quietly among themselves and carry on transactions, each being required to make six or more, during the allotted time. At the touch of the bell, all took their seats. Those who had sold goods, made out their bills and sent to the purchasers. If they bought for cash, they drew and delivered their checks. Each kept a correct memoranda of all his business items.

To carry on this work each pupil was provided with blank bill-heads, receipts, notes, bank checks, a bank book, etc., and with \$250 in school money, every cent of which he had to account for. The smallest sum lost had to be found before the loser was allowed to continue his business transactions. As these were the most enjoyable exercises of their school work, it was a great annoyance not to be allowed to engage in them. Hence this rule of the teachers secured care and accuracy. By a judicious watching of the receipts and expenditures, this practice was made an effective educator. It kept each pupil's business constantly before him. It taught him a prudent and wise use of his money,—how to save it, how to do business, and made him familiar with common business papers.

NOTE. — In making a summary of receipts and payments as indicated on page 4, it will be of great convenience for reference to keep the amount of investments, the expense of house furnishings, and of house supplies, each by itself. It is a great misfortune that so large a per cent of our citizens keep no detailed account of their money affairs. If people, especially those of limited means, would keep such an account, and weekly or monthly run over its items to see where expense might have been cut down, and still provide the necessary comforts of life, it would prove of great service in habits of economy and saving. Not a few have said to the writer that the adoption of this method was the beginning of their saving.

It is the hope of the author that pupils generally will become so familiar with business methods and practice them in their school, that they will find it easy in after years to keep a detailed account of their transactions, that they may know at stated periods whether they have gained or lost, and how much. Let your business affairs be regulated by a plan and stick to it.

## DRILL EXERCISES.

I. March 1, 1892. Isaac Drew's personal account continued. Assets.

Cash on hand, \$7.95; deposit in Boston Five Cent Savings Bank, \$1161.65; in the Malden Savings Bank, \$925.75; due me on note from Mercer Newton, \$53.00; from F. Williams, \$70.00; from Harry Jenks, \$31.89.

Paid for Webster's Academic Dictionary, \$1.20; for Geikie's Life of Christ, \$1.00. (2) Received cash loaned to Frederick Williams, \$70; paid 3 mos. subscription for the Boston Daily Journal, \$1.50; for ten-ride car ticket, 80¢; (4) Paid for blind rocking-chair, \$5.00; 1 lounge, \$4.00. (5) Received money loaned Mercer Newton, April 5, 1891, \$50; for interest on the same for one year, \$3.00; received for one week's salary, to date, \$15.00; for extra work, \$2.00; bought of Rufus James for cash, at private sale, the following articles: 3 ingrain carpets, viz.: one containing 20 yds. @ 30¢, one 25 yds. @ 40¢, one 25 yds. @ 50¢; 1 chamber set (including bedstead, bureau with beveled mirror, commode, 4 chairs, toilet table and rocker), \$22; 1 chamber set (including same number of pieces), \$15; 1 spring bed, \$4; 6 dining-room chairs @ 60¢; 1 blind rocker, \$4; parlor furniture (sofa, marble table, 4 stuffed chairs, 1 blind rocker, 1 easy-chair, and 1 small table), \$45; paid for one week's board, to date, \$4.00. Balance on hand, \$8.35.

Under date April 5, 1891, write for Mercer Newton, for one year a time interest-bearing note, principal \$50; cast the interest on the same and find the amount.

Make and receipt such a bill as the Boston Journal Co. would give Isaac Drew, stating the dates of the beginning and ending of the subscription.

Make and receipt for Rufus James a bill for the above-named articles bought by Drew of him, and sign his name per yours.

II. March 7, 1892. Balance brought down, \$8.35.

Received cash loaned Harry Jenks, \$30; interest on same 1 year, 18 days, \$1.89; received for two weeks' salary to March 12, \$30; received \$10, with a note from my Sabbath-school class, suggesting that I get with it some keepsake for my new home as a reminder of their kind wishes. With it I buy a Teachers' edition of the Bible, \$6.50, and Young's Concordance, \$3.50. (8) Paid for a ten-ride car ticket, 80¢; bought of Rufus James, 20 curtains and fixtures, \$7.50; 5 pictures and frames, \$6.50; 1 lot of tin ware, \$5; 1 lot of crockery, \$2.50; 1 lot of plates (different sizes), \$3; 2 lots of cups and saucers, \$2.25; 4 oval dishes, \$1; 1 lot of bowls and other dishes, 75¢; 2 wash-tubs and wash-board, 75¢; 1 coal-stove, \$6; 1 cooking-stove and furniture (including 1 large iron tea-kettle, 2 large pots, 1 small pot, 2 frying-pans, 1 dripping-pan, 1 fritter-fryer, 1 flatiron-holder, and 1 porcelain kettle), \$15; received cash for posting accounts, \$2.50; paid for church contribution, \$2; for concert choir benefit, 50¢; for week's board to March 12, \$4. Cash balance on hand, \$15.19.

Write a negotiable time note, interest-bearing, for 1 year, such as Jenks probably gave Isaac Drew; cast the interest on it for 1 year and 18 days, and find the amount. Write a receipt such as the church collector of the First Baptist Church, Keene, N.H., Calvin McKenzie, would give Isaac Drew for the \$2, stating for what received, so that when placed on file it would indicate for what and when the money was paid.

Make a bill for the cooking-stove and furniture, giving the name of each article bought by Drew of Rufus James, and receipt it as his clerk.

III. March 14. Cash on hand, \$15.19. Bought for cash  $\frac{1}{2}$  bbl. flour, Pillsbury's Best, \$3; 25 lbs. Arlington wheat meal @  $3\frac{1}{2}\text{¢}$ ; 10 lbs. American oats @  $4\text{¢}$ ;  $\frac{1}{2}$  lb. old Java coffee,  $18\text{¢}$ ;  $\frac{1}{4}$  lb. Oolong tea,  $19\text{¢}$ ; 10 lbs. granulated sugar @  $5\frac{1}{2}\text{¢}$ ; 1 gal. Porto Rico molasses,  $50\text{¢}$ ; 2 oz. nutmeg,  $12\text{¢}$ ;  $\frac{1}{4}$  lb. cassia,  $7\text{¢}$ ;  $\frac{1}{4}$  lb. pepper,  $7\text{¢}$ ;  $\frac{1}{4}$  lb. Jamaica ginger,  $7\text{¢}$ ;  $\frac{1}{4}$  lb. Barrus's mustard,  $7\text{¢}$ ; 1 lb. Cal. raisins,  $15\text{¢}$ ; 1 lb. seedless raisins,  $15\text{¢}$ ; 1 lb. evaporated apples,  $13\text{¢}$ ; 1 can peaches,  $15\text{¢}$ ; 3 cans tomatoes @  $9\text{¢}$ ; 1 can of ham,  $25\text{¢}$ ; 1 tub of butter, 10 lbs., @  $25\text{¢}$ ; 2 lbs. sage cheese @  $14\text{¢}$ ; 1 lb. Duryea's starch,  $8\text{¢}$ ; 1 box Baker's breakfast cocoa,  $22\text{¢}$ ; 2 lbs. oyster crackers @  $8\text{¢}$ ;  $\frac{1}{4}$  gross Byam's long matches,  $12\text{¢}$ . (19) Paid for 1 week's board to 19th inst., \$4; received cash for 1 week's salary to 19th, \$15; for extra work, \$1.50. Cash balance on hand, \$17.13.

IV. March 21. Balance on hand, \$17.13.

Drew from Malden Savings Bank, \$40; paid for a ten-ride car ticket,  $80\text{¢}$ ; paid for 1 broom,  $25\text{¢}$ ; 1 bottle liquid bluing,  $8\text{¢}$ ; 1 bag salt,  $10\text{¢}$ ; 1 clothes line,  $35\text{¢}$ ; 1 lb. tapioca,  $6\text{¢}$ ; 1 lb. soda,  $8\text{¢}$ ;  $\frac{1}{4}$  lb. cream tartar,  $15\text{¢}$ ; 1 dust brush,  $25\text{¢}$ ; paid James Ford for 2 tons stove coal @ \$5.50 per ton; 1 load of wood, \$3. (23) Paid 1 year's subscription for The Century Ill. Magazine to March, '93, \$4; for The Outlook to March, '93, \$3. (26) Paid 1 week's board to date, \$4; received salary for week to date, \$15. Cash on hand, \$45.01.

Make and receipt such a bill as James Ford should have given Isaac Drew for the 2 tons of coal and the load of wood. Write and receipt a bill such as The Century Company, per Gilbert U. Morse, would give Drew, stating the dates of beginning and ending of the subscription; make a similar bill for The Outlook Co., signing J. Gilbert's name for the Company.

V. March 28. Cash on hand, \$45.01.

Drew from the Boston Five Cent Savings Bank, \$50; cash loaned Linus Greene on a note for four months, \$25. (29) Paid for license,  $50\text{¢}$ ; for 1 hanging lamp with shade, \$5; 5 gals. kerosene oil,  $45\text{¢}$ ; paid James McGrear for 1 dress suit, \$32; 1 white necktie,  $50\text{¢}$ ; 1 pair of gloves, \$1.50; 1 hat, \$3.00. (April 2) Received for week's salary to date, \$15; paid Rev. M. J. Allen, \$5; telegram to James Norton, Portland, Me.,  $25\text{¢}$ ; carriage hire, \$1; boat fare to Portland for two, \$2; stateroom, \$1; sacred concert, \$1; for "Mr. and Mrs. Morton,"  $40\text{¢}$ ; horse-car fare,  $20\text{¢}$ . Balance on hand, \$31.21.

Write a negotiable time note for four months, interest-bearing, such as Greene would give Isaac Drew. Make a bill such as McGrear should give Drew for the \$32 suit, and receipt it, signing McGrear's name.

Write a telegram, such as Drew would naturally send James Norton, explaining that as the coachman failed to get Mrs. Drew and himself to the R. R. station in season to take the noon train for Portland, Me., they decided to go down by boat. Let each pupil write, and the teacher correct and condense it two or more times. Pupils should find out the cost of sending such a telegram, of ten words or less, and how much each additional word — after the ten — would cost.

April 4. Cash on hand, \$31.21.

Paid for two excursion fares to Bangor and return, \$6; for dinner for two, \$1; for horse car fare, 10¢; for fruit, 25¢. (7) Paid for W. C. T. Union lecture, 50¢. (8) Paid for two boat fares, Portland to Boston, \$1 each; for stateroom, \$1. (9) Paid for hack hire to residence, 50¢; for 1 pint oysters, 20¢; for 2 loaves of bread, 20¢; for 1 qt. of milk, 7¢; for 1 doz. oranges, 25¢; for 1 small pot of beans, 10¢. Received one week's salary to 10th, \$15. Balance on hand, \$34.04.

Isaac Drew promised to send his sister, Mrs. James Norton, of Portland, Me., a telegram telling her what kind of a trip they had to Boston by the boat, and when he expected their brother John Drew would reach Boston. Write such a telegram of ten words or less, informing her that they had a pleasant trip, and that he expected his brother John the next Thursday.

Explain why telegrams are largely condensed to ten words or less.

Write a brief letter to Mrs. Norton describing their boat passage, and the meeting of Mr. and Mrs. Henry Kingman of California, their old school-mates, who were glad to hear from her, and sent their kindest regards.

April 11. Cash on hand, \$34.04.

Bought for cash of Clarence Stone, one pile of hard wood, 4 feet wide, 12 feet long, and 4 feet high, @ \$5 per cord; of Henry Holt, 1 bu. potatoes, 75¢; 1 pk. pea beans, 65¢;  $\frac{1}{2}$  bbl. apples, \$1.00; 3 lbs. codfish @ 8¢; 1 bag table salt, 15¢. (12) Paid for 1 lb. rump steak, 20¢; for  $3\frac{1}{2}$  lbs. lamb @ 9¢; 10 car tickets, 80¢. (16) Paid for  $\frac{1}{2}$  pt. small oysters, 9¢. Received cash for one week's salary to 17th, \$15.

Find out the number of cords of wood Drew bought of Stone, and make and receipt a bill, signing Isaac Drew's name.

Make a bill of the goods bought of Henry Holt, and sign his name per yours.

Write a letter in Drew's name, dated at Malden, Mass., and address to Stone, at Winchendon, Mass., stating that he decided to take pile of wood No. 1,  $1\frac{1}{2}$  cords @ \$5, for which he encloses check for the amount — stating the amount.

Write a check for the amount, signing Drew's name.

In writing checks for ordinary business, do we use the words "in school currency"?

April 18. Cash on hand, \$ .

Paid for washing, 40¢; 1 saw horse, 25¢; 1 axe, 80¢; 10 postage stamps, 20¢; 5 postal cards, 5¢; 1 doz. eggs, 25¢. (23) Paid subscription for New York Weekly Sun, 1 year, \$1. Received cash for week's salary to date, \$15.

Cash balance, \$ .

(25) Balance on hand, \$ .

Write a letter to the Sun Company, of New York City, ordering their weekly paper for 1 year from date stating you enclose a money order for the amount.

Write a bill such as the Sun Company would send Drew for his yearly subscription of their paper.

## ELEMENTARY BOOK-KEEPING.

## EXAMPLES.

**NOTE.**—The following short examples are designed for analytical as well as for practice work. The teacher should have the class or individuals in the class run through the items of each example and tell where each should be placed, whether on the *Dr.* or *Cr.* side, and why, what words or sentences should begin with capital letters (explaining that in the use of capitals in Business Forms and Book-keeping it is better to follow the ordinary rules of grammar). From time to time as bills, notes, receipts, bank checks, orders, endorsements, etc., are referred to, or given in the examples, the teacher should ask questions about them and require the writing of them and such practical application as will be sufficient to fix in the minds of the pupils the correct form and use of each.

But care should be taken not to attempt the fixing of too many points in any one lesson. These forms should be written in connection with the examples given, and others formulated, until the class understands their accustomed use and can write them with dispatch.

Pupils can use the year of the writing instead of that given in the book, if preferred. If this is done, it may require the change of the day of the month.

To economize space, some persons make two or more entries on the same line as follows:

| 1895    |                                                                                         | Received. |    | Paid. |    |
|---------|-----------------------------------------------------------------------------------------|-----------|----|-------|----|
| Sept. 2 | Paid for 2 gal. ker. oil, .20; bread, .10; sugar, 10 lbs. @ 5¢                          |           |    |       | 80 |
| 3       | Paid for $\frac{1}{2}$ ton coal, \$2.50; for wood, \$1; $\frac{1}{4}$ grs. matches, .15 |           |    | 3     | 65 |
|         | Paid for sundries, .75; stamps, .30; ink, .10                                           |           |    | 1     | 15 |
| 5       | Rec'd cash for week's salary, \$15; money loaned Jones, \$5                             | 20        | 00 |       |    |
| 6       | Rec'd for 1 bu. pears, \$1; $\frac{1}{2}$ bu. string beans, .50; 1 pk. potatoes, .20    | 1         | 70 |       |    |
|         |                                                                                         | 21        | 70 | 5     | 60 |

## DRILL EXERCISE, No. 10.

## TWO STUDENTS' BOARDING ACCOUNT.

Harry Mitchell and Philip White decided to take a preparatory course of study at the Academy, Hebron, Me. Limited in means, and not wishing to run in debt, they decided to hire a room and board themselves, with the following result: Each took with him \$60. They engaged a room for \$1 a week, commencing Sept. 2, 1895. Each agreed to bear half the running expenses. Sept. 2 they bought furniture in a room for \$14.50, each paying his part. Mitchell paid rent for Sept., \$4; for wood, \$4. White paid for provisions, \$8.30; for ker. oil, .10. For Oct., White paid the rent, \$4; for ker. oil, .20; provisions, \$3.38. Mitchell paid, provisions, \$6.12; fruit, .30. For Nov., Mitchell paid, rent, \$5; provisions, \$3.40. White paid, provisions, \$8.20; ker. oil, .10. Dec., first week, White

paid, 1 week's rent, \$1; provisions, \$1.50. Mitchell paid for provisions, \$1.60. Each kept an expense account. Make out such an account for each, showing how much one pays the other to balance these accounts. Show the settlement by receipted bills. Each paid \$8 tuition and \$1 for use of gymnasium. Mitchell's other incidental expenses were \$6.15; White's were \$5.95. Find the total expense during the term for each.

~~~~~  
Hebron, Me., Dec. 7, 1895.

Philip White

In account with MITCHELL & WHITE,
STUDENTS.

1895		Dr.		Cr.	
Sept. 2	By cash for one-half room furniture			7	25
28	" total cash for provisions			8	30
	" cash for ker. oil				10
Oct. 1	" " " ker. oil				20
28	" total cash for provisions			3	38
	" cash for rent of room			4	00
Nov.	" total cash for provisions			8	20
	" cash for ker. oil				10
Dec.	" " " rent			1	00
	" total cash for provisions			1	50
				34	03
	" cash of Mitchell to bal. acct.			1	18
	" one-half total expense			32	85
Dec. 7	Settled as above in full to date, Mitchell & White, Per Harry Mitchell.				
	Paid for tuition	8.00			
	" gym. and other expenses	6.95		14	95
	Total for the term			47	80

The above shows in detail how the settlement was made with Mitchell, also the cost of the term for White, except for traveling expenses. Such statements should be made out and kept on file for future reference. The items should be kept by each person in a note-book.

Make a similar statement for Mitchell; or the statement can be made out as follows, which is the better way:

Dec. 10, 1895.

Mitchell & White Hebron, Me.,

In account with PHILIP WHITE.

1895			Dr.	Cr.
Sept. 2	To one-half cost of furniture for room	7	25	
28	" provisions	8	30	
Oct. 1	" ker. oil		10	
	" " "		20	
28	" provisions	3	38	
	" rent of room	4	00	
Nov.	" provisions	8	20	
	" ker. oil		10	
Dec.	" rent of room 1 week	1	00	
	" provisions	1	50	
		34	03	
Dec. 10	Less cash rec'd of Mitchell to bal. acct.	1	18	
		32	85	
	By cash for one-half the expense			32 85
Dec. 10	Settled as above, Philip White.			

DRILL EXERCISE, No. 11.

Returning Dec. 30/95,* Mitchell and White open a new account.

Dec. and Jan., Mitchell paid rent, \$4; sundries, \$3.80. White paid for sundries, \$6.90.

Jan. and Feb., 1896, White paid rent, \$4; sundries, \$2.10. Mitchell paid for sundries, \$8.22.

Mar. 21/96, White paid rent, \$3; sundries, \$2.34. Mitchell paid for sundries, \$4.96.

The term closed Mar. 21/96. Make out statement as at the close of the former term. Have each statement duly settled and receipted.

Incidental expenses for Mitchell during this term were \$7.35, and for White were \$6.55. Tuition, \$8. Gymnasium, \$1 each.

DRILL EXERCISE, No. 12.

The teacher should have each member of the class make out a similar statement for Mitchell and White for the spring term, which commenced Tuesday, Apr. 7/96, and closed June 24; have one of the examples thus offered by members of the class put upon the board, or on slips of paper to work from, so that all the books shall be alike.

Each of them paid per term \$8 tuition, and for the total transportation to and from the school for the three terms, \$10.65. They sold the furniture in their room for \$15, and paid \$20 for the furniture in the room which they were to occupy the coming year.

* Dec. 30/95, or 12/30/95, is a short way of writing December 30th, 1895. Such abbreviated forms are often used by business people. It is all right to use as given in drill exercise No. 11. But in writing papers such as notes, mortgages, deeds, or any papers liable to be handed down for future reference, it is better to write out in full the day of the month and the figures of the year. See Philip White's acct.

DRILL EXERCISE, No. 13.

Make a full statement which will show the total expense for each during the three terms — this statement to include traveling expenses. Close the account in full for the three terms.

DRILL EXERCISE, No. 14.

ACCOUNT WITH CORNFIELD No. 1 ($1\frac{1}{2}$ ACRES).

May 7/95, cost of plowing and harrowing, \$4; 15 loads of dressing, \$20; superphosphate, \$2; seed corn, .40; beans, .40; planting, \$2.50. June 20, cultivating, \$1; hoeing, \$2.50. July 3, cultivating and hoeing, \$3. Sept. 7, pulling and stacking beans, \$2.50. Sept. 21 and 22, cutting and shocking corn, \$4. Oct. 7, drawing to barn, \$2; husking, \$8; getting beans to barn, threshing, and winnowing, \$3. Nov. 6, received for 15 bu. beans @ \$2.50, \$37.50; for 125 bu. of corn @ .60, \$75; 35 loads corn fodder, valued at \$40; for 8 loads pumpkins, \$15.

How much net profit was received from No. 1 cornfield?

DRILL EXERCISE, No. 15.

Form and complete a similar example of a cornfield of 3 acres.

DRILL EXERCISE, No. 16.

OATFIELD No. 1 ($1\frac{1}{2}$ ACRES).

We will suppose the same piece of ground given above as Cornfield No. 1 to be sown to oats and seeded down the coming spring. Estimate the probable cost and returns in oats and straw.

Apr. 15/95, plowing 1 day, hired man and two-horse team, \$3.50. (16) Harrowing, .75; seed oats, $2\frac{1}{4}$ bu. @ .50 per bu., \$1.12 $\frac{1}{2}$; $\frac{1}{2}$ bu. herd's-grass seed, \$1.25; 15 lbs. red clover @ .15, \$2.25; harrowing in, \$1.50. Aug. 1/95, mowing, team and hired man, $2\frac{1}{4}$ hours @ .50, \$1.50; turning, raking, and bundling, \$1.50. (18) Drawing into barn, \$1.60. (28) Threshing and bagging 60 bu. @ 8¢ per bu., \$4.80. Sept. 5, sold 60 bu. oats @ .40 per bu., \$24; 3 loads of straw valued @ \$15.

Write a check in your favor, signing your own name in payment for the oats. Endorse the check in favor of James Magee.

NOTE.—Holding the right-hand end of the check, turn it over, and write the endorsement across the back, near the left-hand end.

Write an order on one of your grocers, in favor of Mark Dunn, for \$10 worth of goods.

DRILL EXERCISE, No. 17.

A TREASURER'S CASH ACCOUNT OF A LOCAL SOCIETY.

Mar. 2/95, cash received from former treasurer, \$20. (4) Rec'd John Hook's annual dues, \$1; of Harry Barrows, \$1; of Wm. J. Bevins, \$1; of E. P. Packard, \$1; of Mary Hammond, annual dues, .50. (7) Paid for 1 ton of stove size coal, \$5.25; for wood, .50; for record book, .75. (9) Paid for printing programs for concert, \$5; rec'd annual dues of Lilian Harris, .50; of James Potts, \$1; of Ira Shaw, \$1; of Ernest Shaw, \$1; of Gilbert Shaw, \$1. (16) Paid janitor, month's due, \$5; for gas bill, \$3; for music, \$1.50; for postage and stationery, \$1.30. Cash receipts from concert, \$25.50.

Mar. 16.	Reported am't rec'd,	\$
	“ “ paid,	\$
	“ cash on hand,	\$

DRILL EXERCISE, No. 18.

Five Acre Potato Field

In Account with G. A. MARSHALL.

1894			Dr.	Cr.
Apr. 24	To plowing grass land	10		
26	" 2 days' harrowing, \$2.50	5		
30	" 125 loads dressing @ \$1	125		
	" 21,000 lbs. dis. bone black	24	15	
	" 700 " muriate potash	15	75	
	" 200 lbs. nitrate soda	5		
May 1	" mixing chemicals	1	25	
	" marking drills	1		
	" scattering fertilizer in drills	2	50	
	" mixing in with marker	1		
	" 42 bu. seed potatoes, Ear. Six Weeks, @ .60	25	20	
	" 16½ bu. Beauty of Hebron @ .40	6	60	
4	" cutting 58½ bu. potatoes @ .10	5	85	
	" 15 days' planting @ \$1.50	22	50	
June 12	" 1st hoeing 15 days @ \$1.50	22	50	
26	" 2d " 10 " " \$1.50	15		
July 2	" 7 lbs. Paris green @ .25	1	75	
	" applying with cyclone	1		
20	" " 2 lbs. Paris green		50	
Aug. 25	" digging and picking potatoes 40 days @ \$1.50	60		
	" delivering 1162 bu. to cars 3½ miles	29	05	
Dec. 20	" expense of handling seed potatoes	7		
		387	60	
Aug. 30	By 850 bu. potatoes, Early Six Weeks, @ .51			
	" 262 " " B. of Hebron @ .45			
Dec. 20	" 200 " Early Six Weeks seed @ .75			
	" 150 " B. of Hebron @ .40			
	" 75 " small Early Six Weeks seed @ .50			
	" 20 " " B. of Hebron " @ .30			
	" 75 " Six Weeks culls " @ .15			
	" 25 " B. Hebron " " @ .15			
	" Increased value of land			125
				944 90
	Total receipts \$944.90			
	Expense 387.60			
	Net profit \$557.30			
		387 60	944 90	
		557 30		
		944 90	944 90	

The above account was kindly furnished by Mr. G. A. Marshall, a successful farmer and seed grower of Lancaster, N.H. The writer in conversation with him learned that he and his brother

keep a detailed *Dr.* and *Cr.* account with each department of industry on their farm, which they carry on together. By these accounts they are able to tell not only which pays the best, but just what is their gain or loss each year in each department. Everything on their place is conducted on business principles, and with an intelligent idea of what they are doing and how to do it to make farming a success.

From this and the following account may be seen something of their methods, and whether they make farming pay.

DRILL EXERCISE, NO. 19.

Twelve Cows

In account with G. A. MARSHALL.

1894		Dr.	
Jan. 1	Value of cows	360	00
Mar. 15	To 10 tons mixed hay @ \$10		
May 10	" 7½ " clover hay @ \$10		
	" 1000 lbs. shorts @ 1¢		
	" 500 " cotton seed meal @ 1½¢		
	" 300 " cornmeal @ 1¢		
20	" 450 " mixed feed, \$4.70		
Nov. 10	" 6 months' pasturing @ \$9		
	" 1½ bu. salt @ .40		
	" 1800 lbs. mixed feed, \$18.80		
Dec. 31	" 6½ tons hay @ \$10		
	" 1½ bu. salt @ .40		
	" 1 year's interest on value @ 5%, \$18		
	" labor above, fertilizing material saved, \$120		
	" net profit on cows, 1 year	127	65
		963	35
1894		Cr.	
Jan. 31	By 111½ lbs. butter @ .23		
Feb. 29	" 75 " " @ .23		
Mar. 31	" 65 " " @ .22		
Apr. 30	" 234½ " " @ .20		
May 31	" 347½ " " @ .20		
June 30	" 324½ " " @ .20		
July 31	" 340 " " @ .20		
Aug. 31	" 290 " " @ .20		
Sept. 30	" 210½ " " @ .20		
Oct. 31	" 234½ " " @ .21		
Nov. 30	" 174 " " @ .22		
Dec. 31	" 157½ " " @ .22		
	" 56,390 lbs. skim and buttermilk @ .15 per 100 lbs., 84.58	613	35
	Value of cows	350	00
	963.35 cash value as income	963	35
	835.70 expense.		
	127.65 net profit.		

DRILL EXERCISE, No. 20.

Poultry

In account with G. A. MARSHALL

1893/94

Dr.

1893							
Aug. 20	To 100 pullets @ .45		45	00			
1894							
Feb. 20	" 6 mos. variety feed		33	48			
	" shells, gravel, etc.		2	50			
Aug. 20	" 6 mos. variety feed		33	48			
	" feed for 200 chickens		24	00			
	" shells, gravel, etc.		2	50	140	96	
1893		Cr.					
Nov.	By 33½ doz. eggs	@ .30	10	00			
Dec.	" 50 " "	@ .28	14	00			
1894							
Jan.	" 66½ " "	@ .25	16	62			
Feb.	" 66½ " "	@ .20	13	30			
Mar.	" 83½ " "	@ .20	16	67			
Apr.	" 100 " "	@ .15	15	00			
May	" 133½ " "	@ .15	20	00			
June	" 133½ " "	@ .15	20	02			
July	" 83½ " "	@ .20	16	67			
Aug. 20	" 50 " "	@ .20	10	00			
	" 100 pullets	@ .45	45	00			
	" 100 chickens @ .12, live weight		42	00			
	" 98 hens @ 9¢, live weight		45	00	284	28	
	Total receipts,	\$284.28					
	" expenses,	140.96					
	Net profit,	\$143.32					

In the above account the dressing produced by the poultry is estimated to pay for the labor of caring for it. Carefully saved, mixed and utilized, it is estimated that each hen will produce as much value for fertilizing use as can be bought of artificial make for fifty cents.

DRILL EXERCISE, No. 21.

The following gives in part the cash account of James Neil, the proprietor of a small country cash store. Transfer to proper books, and show comparative receipts and payments.

1895		Received.		Paid.	
July	1	Cash on hand		70	00
		Sold 3 lbs. sage cheese @ .15			
		" 2 " saltines @ .15			
		" 2 doz. oranges @ .30			
		" 2 gals. molas. @ .55			
		Paid for 20 lbs. butter @ .20			
		" " 1 cheese, 25 lbs., @ .12½			
		" " 2 bu. potatoes @ .50			
	2	Sold 8 lbs. nails @ 4¢			
		" 6 " " @ 3¢			
		" 1 paper screws, .20			
		" 1 " tacks, 5¢			
		" 2 lbs. Java coffee @ .35			
		" 1 lb. Formosa tea, .75			
		" 2 cans pears @ .30			
	3	" 5 lbs. Boston biscuit @ .14			
		" 3 doz. oranges @ .25			
		" 1 bbl. flour, \$5; 20 lbs. sugar @ 5¢			
		" 5 gal. molas. @ .50; 1 iron rake, .50			
		Bot. 10 doz. eggs @ .15; 2 bu. potatoes @ .60			
		10 bu. oats @ .40, for which he gave 40 yds. cot. cloth @ .10			
	4	Sold 1 pair overalls, .60			
		" 1 rub. coat, \$4; 1 clothes wringer, \$3			
		" 2 chisels @ .50; 2 brooms @ .25			
	5	" 1 carpet sweeper, \$2			
		Paid for 1 bbl. sugar, 250 lbs., @ 4½¢			
		Cash on hand			

ORIGIN OF THE COTTAGE HOME SCHEME.

Wm. Parke, a clerk in a grocery store, received \$12 per week. Of this he paid \$4 per week for board, not including washing. By inquiry he found that very few of the clerks whom he knew saved anything from their earnings—that, as a rule, most saved as much on a week's salary of \$10 as they did when their pay was increased to \$15—that, with the increased pay of most, came increased calls for money. He had learned from the United States census that the families of the country average about five in number for each home; that these five are largely supported by the earnings of the parents. It occurred to him that he could join with some of his friends who were boarding with and near him, hire a tenement, employ some one to keep house for them, and live on the

earnings of two of the number, and invest the earnings of the others. This suggestion was talked over and finally agreed to by Parke, James Mack, Harry Ryder, John Y. Doyle, and Charles Monk. Each was receiving \$12 per week, but only Parke and Ryder had previously saved anything of their earnings. They found a house all furnished which the owner was to vacate for a year. This he offered to rent them for \$15 per month, if they would employ his housekeeper, Mrs. Jones, at \$3 per week. This arrangement was entered into by the five for one year, with the agreement that they would live on the earnings of two, and invest the earnings of the other three, less \$5 per month for each for personal expenses. It was arranged with Parke to do the buying and looking after the household affairs, and to receive and invest the money with the advice and consent of the others.

The teacher can make as many lessons of the following example as is thought best, separating into weeks, $\frac{1}{2}$ month or months, as preferred. He can require the pupils to use the ¢ with figures for cents, as 25¢, 8¢, or the decimal point before the .25 and .08, or .25, 8¢, as preferred. Better adopt a uniform practice. In business practice the ¢ is generally omitted. It is briefer to use the decimal point with figures from 10 cents up, and the ¢ for cents below 10.

DRILL EXERCISE, No. 23.

NOTE BOOK.

Wm. Parke

In account with COTTAGE HOME ASSOCIATION.

1895		Dr.		Cr.	
Sept. 2	To cash, Wm. Parke	20			
	" " Jas. Mack	20			
	" " Harry Ryder	20			
	" " Jn. Y. Doyle	20			
	" " Chas. Monk	20			
	By cash, $\frac{1}{2}$ bbl. Pills. Best flour			3	
	" " $\frac{1}{2}$ bbl. St. Louis flour			2	65
	" " 25 lbs. Arlington wheat @ 3¢				75
	" " 1 pk. Indian meal				25
	" " $\frac{1}{4}$ lb. pepper, 7¢; $\frac{1}{4}$ lb. cassia, 7¢				14
	" " 1 lb. Java coffee, .35; 2 oz. nutmeg, .12				47
	" " 20 lbs. gran. sug. @ 5¢; $\frac{1}{4}$ mus., 7¢			1	07
	" " 10 lbs. Am. oats @ 4¢; $\frac{1}{4}$ lb. ging., 7¢				47
	" " 5 lbs. Cal. raisins @ .15; 3 cans peaches @ .15			1	20
	" " $\frac{1}{4}$ lb. Oolong tea, .20; 2 gals. P. Rico molas. @ .50			1	20
	" " $\frac{1}{4}$ gross matches, .15; 2 lbs. evap. apples @ .13				41
	" " 1 box cocoa, .22; 1 lb. starch, 8¢				30
	" " 1 bag. salt, .10; 1 lb. tapioca, 6¢				16
	" " 1 bottle bluing, 8¢; $\frac{1}{4}$ cream tar., .15				23
	" " 10 hrs. Bab. soap @ 5¢; 2 cakes ivory soap @ 8¢				66
	" " 1 tub butter, 20 lbs., @ .22			4	40
	" " 1 bu. potatoes, .65; 1 pk. beans, .63			1	28

1895		Dr.		Cr.	
Sept. 3	By cash, 1 ton stove coal, \$6; wood, \$1			7	00
	" " 2 doz. oranges @ .30; 1 lb. soda, 8¢				68
	" " 3 doz. eggs @ .20				60
7	" " 1 watermelon, .20; 2 gal. ker. oil @ .12				44
	" " housekeeper			3	00
	" " paid to date		\$30.36		
10	" " 10 lbs. meat @ 6¢				
12	" " 15 " suet @ 5¢				
	" " 2 " steak @ .20				
	" " 3 " grapes @ 8¢				
13	" " 3 " cod @ .10				
14	" " 4 qts. shell beans @ 5¢				
	" " 1 doz. green corn, .12				
	" " 2 qts. tomatoes @ 5¢				
	" " housekeeper, \$3				
	" " paid Sept. 10-14		\$5.71		
16	" " 4 doz. eggs @ .20				
17	" " 6 lbs. lamb @ 7¢				
18	" " 3 lbs. bluefish @ .15				
	" " 2 cans peaches @ .20				
	" " ½ bu. apples @ .90				
20	" " 5 lbs. cheese @ .14				
	" " 1 pk. beans @ .63				
	" " 1 lb. corned beef, 8¢				
21	" " 1 melon, .20				
	" " Mrs. Jones, housekeeper, \$3				
	" " paid Sept. 16-21		\$7.13		
23	" " 2 lbs. steak @ .20				
24	" " 4 lbs. chicken @ .15				
25	" " 4 qts. shell beans, .20; corn, .12				
27	" " 5 lbs. corned beef @ 8¢; ½ pk. beets, .12				
28	" " 1 melon, .15; peaches, .25				
	" " Mrs. Jones, \$3				
	" " rent for Sept., \$15				
	" " milk bill for Sept., \$1.80				
	" " paid Sept. 21-28		\$22.04		
				65	24

Sept. 28, Parke received for supplies \$86; and for investment \$129, which it was decided to loan James Doyle for his note on semi-annual interest at 5%, secured by a mortgage on his place.

Write a two years' time note with semi-annual interest at 5%, in favor of Wm. Parke, for the Cottage Home Association or order, as follows: Two years after date I promise to pay Wm. Parke for the Cottage Home Association or their order, one hundred and twenty-nine dollars, semi-annual interest at 5%, value received.

What is a mortgage? See page 110. For what is a mortgage given? Suppose Doyle should fail to pay the amount of this note, of what use would the mortgage be to the holder of it? Is it necessary to use the words "value received" to make the note valid? See page 19.

1895		Dr.		Cr.	
Oct.	1	By 2 lbs. steak @ .20			
	2	" 1 lb. raisins, .10; corn starch, .10			
	3	" 3 lbs. salt cod @ .10; 3 lbs. cut l. sug. @ 6¢			
	4	" 3 " sword fish @ .15			
	5	" 8 " meat @ 6¢			
	6	" 1 dozen bananas, .15; melon, .15			
	7	" cash, Mrs. Jones, \$3			
	9	" 6 lbs. lamb at 7¢			
	10	" 4 qts. tomatoes, .15; Sept. milk bill, \$1.80			
	11	" 2 cans con'd milk @ .10; 6 cans corn @ .10			
	12	" 3 lbs. fish @ 8¢; 1 doz. ears green corn, .12			
	13	" 2 qts. shell beans @ 8¢; 1 qt. berries, .10			
	14	" cash, Mrs. Jones, \$3			
	16	" 5 lbs. lamb @ 7¢			
	17	" 1 melon, .20; crackers, .15			
	18	" 1 doz. ears corn, .10; 4 qts. string beans, .15			
	19	" ½ pk. colored beans, .35			
	21	" 3 lbs. sword fish @ .15			
	23	" 2 lbs. steak @ .18; 1 pt. oysters, .18			
	24	" cash, Mrs. Jones, \$3			
	26	" corn and beans, .30			
	28	" 6½ lbs. lamb, @ 8¢			
	30	" ½ bbl. Pillsbury's Best flour, \$3			
	31	" 2 lbs. rice @ 9¢; 10 lbs. Arlington meal @ 3¢			
Nov.	1	" 1 pt. oysters, .20; cash, Mrs. Jones, \$3			
	2	" 4 doz. eggs @ .20; 2 lbs. steak @ .20			
	3	" 20 lbs. gran. sug. @ 5¢; soap, .25			
	4	" 2 gals. P. R. molas. @ .50			
	5	" 2 papers w. germ @ .11			
	6	" 5 gals. ker. oil @ .11; 3 lbs. fish @ .10			
	7	" Oct. milk bill 31 qts. @ 6¢			
	8	" cash, Mrs. Jones, \$3; rent for Oct., \$15			
	9	" cash paid, Oct. 1–Nov. 2			\$49.27

Each keeps \$5 of his month's or five weeks' salary and passes the balance to Parke to be used as follows: the amount of two (\$110) to be kept for Cottage Home expenses, and that of the other three (\$165) to be invested on interest. This amount, \$165, Parke loaned to James Doyle at 5% semi-annual interest, to be secured by mortgage on his place Nov. 30/95, at which time he was to receive another loan. Write for him a time note for two years, semi-annual interest at 5%.

Parke's grocer charged .10 per lb. for fore-quar. lamb; but by buying in a certain market he secured quite as good meat for 7¢ per lb. What % did he save, or how much on the dollar? Saved $\frac{3}{10}$. $\frac{1}{10}$ of \$1 is .10; $\frac{3}{10}$ is 3 times .10, or .30, i.e. he saved 30%. His grocer also charged .23 per doz. for eggs; but the same market charged him only .20. What % did he save?

1895		Dr.		Cr.	
Nov. 4	By 1 ton coal, \$5				
	" 8 lbs. beef, 7¢				
5	" 1 qt. cranberries, .10; 1 pk. beets, .25				
	" 1 can corn, .10; 2 qts. beans @ 8¢				
7	" 2 lbs. steak @ .22; ½ bu. potatoes, .38				
8	" 3 " fish @ .10; ½ pk. tomatoes, .12				
9	" 1 pt. oysters, .18; 16 bananas, .25				
	" cash, Mrs. Jones, \$3				
11	" 10 lbs. sugar @ 5¢; 2 gal. molas. @ .50				
	" 10 " Arlington wheat @ 3¢; 5½ lbs. lamb @ 7¢				
15	" 2 lbs. bluefish @ .15; 6 doz. eggs @ .17				
16	" 2 " meat @ .18; cash, Mrs. Jones, \$3				
18	" 2 lbs. can'd tongue @ .15				
20	" cucumbers, 6¢; pears, .10				
21	" meat, .45; 1 melon, .15.				
23	" oysters, .18; 2 lbs. crackers @ 7¢				
	" cash, Mrs. Jones, \$3				
25	" 2 cans corn @ .10; 2 qts. beans @ 8¢				
26	" 6 lbs. lamb @ 7¢				
28	" 1 pk. potatoes, .20; 1 can corn, .10				
29	" 1 gal. ker. oil, .11; steak, .40				
30	" milk bill for Nov., 30 qts. @ 6¢				
	" cash, Mrs. Jones, \$3; rent, \$15				
	Voted to allow Parke for services to be deducted from bal. in his hands \$20.00				
Nov. 30	Total paid out by Parke			177	99

They each keep \$5, and give Parke an amount for expenses equal to what remains of the salary of two, and for investment what remains of the salary of three. This he lets James Doyle have as in previous months.

To finish out for Nov. supplies, Parke paid .20 for a peck of potatoes; he could have bought a bushel for .60. Had he bought all his potatoes by the peck at the same rate, how much more % would it have cost him than to have bought by the bushel?

It often saves from 10 to 25 % by buying in larger instead of very small quantities, especially in certain articles. Delivering in small lots costs much more for clerk hire and book-keeping, for which the consumer has usually to pay. Some years since we knew one who formed the habit of buying his coal by the basket @ .35, or paying \$1 for three baskets. He could have bought a ton for \$5; but getting it by the basket cost him \$8 per ton, reckoning 8 bbls. for the ton. Get the per cent. What per cent did he lose buying by the basket instead of by the ton? He burned about 6 tons per year at an average loss of \$18. How much would this amount to in 20 years at 6 % annual interest? How much was the total cost for the five during the three months; how much

for each per week? How much did they have invested Dec. 1st? How much for each? They withdrew the original \$20 put in by each. How much remained in the hands of Parke? At this rate how much will it cost each for a year? How much will each save? They required Parke to make a statement showing in detail the condition of their experiment. The pupil should be required to do this.

STATEMENT OF COTTAGE HOME ASSOCIATION, FOR THE THREE MONTHS ENDING Nov. 30, 1895.

Nov. 30	Am't rec'd by Wm. Parke for supplies, rent, house-keeper, etc.	382	00		
	Am't rec'd by Parke for investment	423	00		
	Total rec'd by Parke to date			805	00
	Am't paid by Wm. Parke for supplies, rent, and housekeeper				
	Allowed Wm. Parke for services				
	Am't expended	177	99		
	" invested	423	00		
	Total paid out by Parke			600	99
	Withdrawn by each			204	01
	Balance in hands of Wm. Parke			100	00
	Am't paid by Parke for supplies etc.	177	99	104	01
	Supplies on hand	13	29		
	Cost for the 13 weeks	164	70		
	" per week	12	67		
	" of each per week	2	53½		
	" for each per year	131	87		
	Am't invested	423	00		
	" " for each	84	60		

SIMPLE FORM OF AN ACCOUNT FOR WORKING PEOPLE

But a small per cent of clerks, mechanics, and day laborers have transactions so extended that they need more than the simplest method of keeping their accounts. The simpler and briefer, the better. The form of cash account already passed over serves well for most, but the following will be found simple and more complete.

It would be of great service to every person to carry a small **note book**, in which he should keep a concise record of each transaction as it takes place. In this book a record of money received or paid should be made at the time of the transaction; also a record of all **promises** or **business agreements** should be kept for ready reference. Such records often save much misunderstanding and trouble. It is a great convenience for future reference. These business entries posted to the ledger, or cash book and ledger enables one to keep before him his financial standing, which he can determine at a glance. Such a record, especially among the laboring classes, is rarely found.

From the **note book** it is easy to transfer to a page of summary accounts or to a ledger. From this book reference can readily be made to the **original entries** for dates, items, prices, etc. This brief system of keeping accounts, for people of limited business transactions, is easy and convenient.

While a double entry account shows all sources of gain or loss in business much better than the single entry system, yet the latter is all the majority of people need, is much easier to understand and acquire, and saves much time. For examples to show form see pp. 60—84.

DRILL EXERCISE, No. 24.

ILLUSTRATING THE USE OF THE DAY BOOK OR NOTE BOOK.

We will suppose the following to be a record of some business transactions of Wm. Mason, a dealer in groceries in the town of Fairmount, Me., who began with assets of \$850.

Jan. 1, 1890. Sold John Tyler, on $\frac{1}{2}\%$, 1 bbl. St. Louis flour, \$6.25; George F. Hall, on $\frac{1}{2}\%$, 10 lbs. granulated sugar @ 7¢; 2 lbs. raisins @ .16; bo't of George B. Lewis, on $\frac{1}{2}\%$, 20 lbs. butter @ .24; 8 doz. eggs @ .22; sold Chas. Armstrong, on $\frac{1}{2}\%$, 3 pks. potatoes @ .25; 1 lb. saleratus, 8¢; sold Fred. M. Sargent, on $\frac{1}{2}\%$, 2 bu. of corn @ .70; bo't of Sam'l B. Woodford, on $\frac{1}{2}\%$, 30 bbls. Baldwin apples @ \$4.25; sold Stephen Gates, on $\frac{1}{2}\%$, 1½ doz. eggs @ .24; 1 bu. potatoes, \$1.00.

Jan. 2. Bo't of James Dole, on $\frac{1}{2}\%$, 60 lbs. cheese @ .18; bo't of Wm. True, on $\frac{1}{2}\%$, 30 bu. potatoes @ .90. John Tyler paid cash, on $\frac{1}{2}\%$, \$3.00; sold Geo. B. Lewis, on $\frac{1}{2}\%$, ½ bbl. St. Louis flour, \$3.20. (3) Paid Sam'l B. Woodford, on $\frac{1}{2}\%$, \$50; sold George F. Hall, on $\frac{1}{2}\%$, 3 lbs. cheese @ .21; 2 lbs. Rio coffee @ .28. John Tyler pd. cash to bal. his $\frac{1}{2}\%$. (4) Sold James Dole, on $\frac{1}{2}\%$, 1 bbl. St. Louis flour, \$6.25; 8 bu. corn @ .70. See page 60.

From such a record as this, Wm. Mason would be able to tell who owe him and whom he owes, and how much he owes or is owed in each case.

Suppose Mr. Mason should ask you as his clerk how his $\frac{1}{2}\%$ with Geo. F. Hall stands, on what dates have goods been sold him, and what is the total amount of sales to him. Suppose he should also ask you to find out how the accounts with Geo. B. Lewis, Chas. Armstrong, Fred. M. Sargent, James Dole, and Sam'l B. Woodford stand.

These, and similar questions in regard to other parties concerned, can be answered by looking through the record of transactions in the note or day book. But this is not a convenient or rapid way of getting at the facts. Still less satisfactory would it be in a real business where there would be in a single day much more of buying and selling than is recorded above, and where dealings would be had with a large number of persons.

These transactions or accounts can be collected and arranged in such a way that all the facts necessary to be known about the business may be easily and quickly found.

The systematic arrangement of accounts, in order that any desired information in regard to a business may be easily ascertained, is called **BOOK-KEEPING**.

Let us now take up these transactions and show how they may be recorded by a very simple method.

On pages 6 and 7 is shown the form of a book called a **Day Book**,* by some a **Note Book**,† in which each day's transactions are entered. Let us suppose this book is yet blank, and that we are in the place of Wm. Mason or his clerk. At the top of each page we write the name of each place and the date. Look now at the first transaction of Jan. 1, 1890.

Debtor.—John Tyler has bo't of us a bbl. of flour on $\frac{1}{2}\%$, i.e. without paying for it. (See page 5, 7th par.) He is therefore our debtor, so we enter his name in the Day Book as such, using the abbreviation **Dr.** for **debtor**.

The full entry would be something as follows:

JOHN TYLER	To WM. MASON	Dr.
To 1 bbl. St. Louis flour		\$6.25

* Abbreviated D. B. † For the **Day** or **Note Book** a common pocket diary serves a good turn for many, from which the business transactions are posted to the ledger or cash book and ledger.

But since this is Wm. Mason's day book, the writing of his name with each % is unnecessary. We therefore enter as follows:

Jan. 1/90	JOHN TYLER	Dr.			
	To 1 bbl. St. Louis flour		6	25	

The amount of this entry is made in the dollars and cents columns. The charge shows, not only who owes, but what is owed.

George F. Hall's purchase is entered much in the same way, as he bo't goods on %. Having drawn a line under Tyler's entry, we record as follows, using ditto marks (") for lbs.:

Jan. 1/90	GEORGE F. HALL	Dr.			
	To 10 lbs. gran. sugar	@ 7¢	70		
	" 2 " raisins	@ .16	32	1	02

Notice in this charge that the am't of each item bo't is given opposite the articles recorded, and the full am't of the purchase is entered in the right-hand double vertical line.

Creditor.—The next transaction is of a different nature. We have bo't goods of Geo. B. Lewis, on acct., i.e. without paying for them. We therefore owe him. (See page 5.) So we enter Geo. B. Lewis' name as such in the day book, using the abbreviation **Cr.** for **creditor**. We complete the record of the transaction by showing for what Lewis is creditor, using the word **BY** after **Cr.**, as in the previous entries we have used the word **to** after **Dr.**

Dr. and Cr.—In our day book we begin every entry with the name of the person whom we owe, or who owes us.

If he owes us, we enter his name as *Dr.*

If we owe him, we enter his name as *Cr.*

The remaining entries of Jan. 1 require no further explanation.

When we enter a person's name in our book as *Dr.* we say we **DEBIT** him.

When we enter a person's name in our book as *Cr.* we say we **CREDIT** him.

QUESTIONS.

Why do we debit Chas. Armstrong?

Why do we credit Sam'l B. Woodford?

Why do we debit Fred. M. Sargent?

Why do we debit Stephen Gates?

We have now finished the record in the day book of the transactions of Jan. 1, and can plainly see the use of the book.

The **Day Book** is the book of *original entry*, and should contain an accurate history of all business transactions in the order of their occurrence. In Single Entry these transactions should be in the form of debits or credits to determine readily on which side of the ledger each transaction should be posted.

Most book-keepers record all cash transactions in a sub-division of the day book, called the **cash book**. When this is done only those cash transactions in which money is **received** or **paid on account** are entered in the day book. One of the best ways is to use the cash book as a book of original entry

for all cash, and from it post those cash items *that are on account* to the proper personal accounts in the ledger. For reasons given on page 5 they are, in this drill exercise, kept in the day book, and from that posted to the ledger. This is sometimes done and a cash account opened in the ledger and treated as a personal account.

In Double Entry the day book is sometimes called the **Blotter**. Other sub-divisions or branches of the day book are **Invoice Book**, **Sales Book**, etc. In fact, any book that is used as a book of original entry is a branch of the day book.

DRILL EXERCISE, No. 25.

ILLUSTRATING THE USE OF THE LEDGER.

In real business the **Day Book** would contain the records of many days' transactions, and in many cases there would be accounts with the same person entered under different dates. If we had only a day book, it would often require much work to find the dates and transactions with a given person or party, and how the account stands. So, for convenience, another book is made use of, in which the accounts with each party are collected and arranged under the name of persons, firms, or bodies.

That book is called a **Ledger**. Its usual form is shown on pages 8, 61, etc. Supposing that book blank, let us see how the accounts of Jan. 1st would be transferred from the **Day Book** to the **Ledger**.

Our first account is with John Tyler, so we write his name at the top of the page in the ledger, midway between the right and left hand corners. The left half of the page is called the debtor side; the right half, the credit side. On the left corner we write **Dr.**; on the right corner, **Cr.**

John Tyler, as appears in the day book, is **Dr.**, so we transfer his account to the **Dr.** side in the ledger. The date of the sale is placed in the left-hand column, and in the wide space we enter the transaction as *mdse.*, and in one of the columns, the page of the book whence the transaction was taken, and in the column for dollars and cents, the amount of the transaction.

We might write, as in the day book, 1 bbl. St. Louis flour, but the abbreviation *mdse.* (for merchandise or goods) answers the purpose, and takes less space and time. The amount (\$6.25) is carried to the dollars and cents column. In the column, left of the dollars, we write the page of the day book where the transaction was first recorded, and where the items of the *mdse.* can be found in detail.

Then in connection with John Tyler's acct. in the day book we indicate the page of the ledger to which his account has been transferred. In this way we transfer John Tyler's and other accts. from the day book to the ledger.

Transferring of accounts from the day book to the ledger is called

POSTING.

In posting Geo. F. Hall's acct. we may write his name at the top of a new page, or rule a space for it on the same page, as shown in the accompanying form. He is also **Dr.**, so we enter his acct. in the ledger on the **Dr.** side of the page, to *mdse.* \$1.02.

The next acct. in the day book is that of Geo. B. Lewis, who is credited for goods which we bought and received of him to the amount of \$6.56. This we transfer to the **Cr.** side of the ledger, as follows — By *mdse.*, \$6.56.

In a similar way we post the accts. with Chas. Armstrong, Fred. M. Sargent, Sam'l B. Woodford and Stephen Gates.

All **Dr.** accts. must be entered on the **Dr. side**, and all **Cr.** accts. on the **Cr. side** of the ledger.

Thus we have shown how the transactions of Jan. 1st were entered in the day book and posted to the Ledger.

The transactions of Jan. 2, 3, and 4 are treated in the same way. We credit in the day book the amount of our purchase of James Dole, \$10.80, and of Wm. True, \$27, and post to the ledger, as we did the entries of Jan. 1st. John Tyler pays, Jan. 2, cash on acct., \$3.00, which we place to his credit in the day book. We charge or debit Geo. B. Lewis \$3.20, for $\frac{1}{2}$ bbl. St. Louis flour, which we also post to the ledger. See page 61.

Jan. 3 we find that we paid Sam'l B. Woodford \$50 on acct. (*i.e.* to reduce our debt to him). This am't we debit or charge him in the day book. The same date John Tyler paid the bal. of his acct. How could we tell most readily what that am't was? Turning to his ledger acct. (see page 61) we find the am't on the **Dr.** side is \$6.25, but on the **Cr.** side it is only \$3.00.

The difference between the \$3.00 and \$6.25, or \$3.25, is the sum necessary to balance his acct., with which am't we credit him. This, with James Dole's acct. of \$11.85, disposes of our first entries in the day book, which gives us a clear record of each day's business with the different persons, and which enables us to tell at a glance how we stand with each.

By referring to the ledger (page 61) you will see how readily the questions asked by Mr. Mason of you as his clerk, as to how he stood with James Dole and others, can be answered.

The **Dr.** side of Dole's acct. is \$11.85, the **Cr.** side \$10.80, from which we find Dole owes us \$1.05 more than we owe him.

How do we stand with Geo. B. Lewis, Sam'l B. Woodford and others? By reference to Lewis' ledger acct. we find the **Cr.** side is \$3.36 more than the **Dr.** side, so we owe him \$3.36 more than he owes us.

By reference to Sam'l B. Woodford's acct. we find the **Dr.** side is only \$50, while he is credited by mdse. \$127.50, *i.e.* we owe him \$77.50 more than he owes us. By turning to the entries in the day book we can learn just what goods we had of him, and the price and quantity of each article ordered.

Thus we can readily learn just how we stand with each person whose name we have entered in our books.

There are two kinds of book-keeping, **Single Entry** and **Double Entry**.

Single Entry Book-keeping is so called because by that method a transaction is usually entered under only one acct. in the ledger.

Double Entry Book-keeping is so called because by that method *every* transaction is entered under two accts. in the ledger. There are other important differences between the two methods, but they need not be mentioned here. The accts. with which we have been dealing have been recorded by the single entry method.

DRILL EXERCISE, No. 26.

Now let the pupil copy on paper, or in a blank-book properly ruled as a day book, and transfer to the ledger Wm. Mason's Jan. accts. (See page 60.) Better record on practice paper first, from which transfer to the proper books; then record and post his Feb. memoranda, which are to be regarded as a continuation of Mason's Jan. accts.

In actual business, of course, the proper way is to enter in the D. B. and post transactions on the same day on which they occur.

Feb. 3. Sold Fred. M. Sargent, on $\frac{1}{2}\%$, 5 lbs. butter @ .28; 1 doz. eggs, .24; sold Geo. F. Hall, on $\frac{1}{2}\%$, 1 bu. corn, .72; paid Wm. True cash, on $\frac{1}{2}\%$, \$12; sold John Tyler, on $\frac{1}{2}\%$, 20 lbs. gran. sugar @ 7¢; sold Geo. B. Lewis, on $\frac{1}{2}\%$, 1 gal. kerosene oil, .14, 1 lb. tea, .60; bo't of James Dole, on $\frac{1}{2}\%$, 2 bu. beans @ \$2.25.

Feb. 7. Sold Wm. True, on $\frac{1}{2}\%$, 1 bbl. Queen City flour, \$6.50; sold Stephen Gates, on $\frac{1}{2}\%$, 3 cakes toilet soap @ 8¢, 3 qts. beans @ .10; sold Chas. Armstrong, on $\frac{1}{2}\%$, 1 can peaches, .30, 3 pks. Baldwin apples @ .40.

Pd. Sam'l B. Woodford cash on $\frac{1}{2}\%$, \$40.

Feb. 10. Geo. F. Hall pd. cash to bal. his $\frac{1}{2}\%$ (refer to ledger to find how much was due).

Sold John Tyler, on $\frac{1}{2}\%$, 1 can corn, .12, 3 lbs. butter @ .28.

Sold Henry Foster, on $\frac{1}{2}\%$, 6 lbs. codfish @ 8¢, 1 bu. potatoes, \$1.05; bo't of Geo. B. Lewis, on $\frac{1}{2}\%$, 3 lbs. butter @ .24; sold Chas. Armstrong, on $\frac{1}{2}\%$, 1 bbl. St. Louis flour, \$6.25; sold James Dole, on $\frac{1}{2}\%$, 2 lbs. Java coffee @ .35, 1 box salt, .20.

Feb. 11. Sold Horace P. Smith, on $\frac{1}{2}\%$, 15 lbs. gran. sugar @ 7¢, 2 cans corn @ .12; sold Henry Foster, on $\frac{1}{2}\%$, 2 lbs. cheese @ .21, 2 bu. corn @ .72. Pd. Wm. True cash to bal. his $\frac{1}{2}\%$.

Having entered these transactions in the day book, and posted them, let the pupil answer the following questions by referring to the ledger:—

How do we now stand with John Tyler?			
"	"	"	Geo. B. Lewis?
"	"	"	Sam'l B. Woodford?
"	"	"	Wm. True?
"	"	"	Henry Foster?
"	"	"	James Dole?

Suppose that we should settle in full with each person who owes us or whom we owe, should we, in all, receive more than we pay, or pay more than we receive, and how much?

We should receive payments from John Tyler, Chas. Armstrong, Fred. M. Sargent, Stephen Gates, Henry Foster and Horace P. Smith, amounting in all to \$20.56. We should make payments to Geo. B. Lewis, S. W. Woodford, and James Dole, amounting to \$43.39. We should pay \$22.83 more than we rec'd. [If the pupil obtains the same result from his ledger, his work has probably been correct.]

REVIEW QUESTIONS.

NOTE.—Some of these questions are answered directly in the preceding pages, others indirectly, and still others test the pupil's knowledge outside of the book.

What is book-keeping?
 How many distinct kinds of book-keeping are there?
 What is the day book?
 What is the ledger?
 What is meant by a retail dealer in groceries?
 What is a debtor? How is the word abbreviated?
 What is a creditor? How is the word abbreviated?
 What is meant by the expression bought on $\frac{1}{2}\%$? sold on $\frac{1}{2}\%$?

What is meant by debiting a person?
 What is meant by crediting a person?
 How is the day book ruled?
 How does every entry in the day book begin?
 What does the difference between the amounts of the Dr. and Cr. sides of a ledger $\frac{1}{2}\%$ show?
 Suppose that Geo. B. Lewis keeps books similar to ours. Show how his own transactions with Wm. Mason would be entered in his day book. How would they appear in his ledger?

BUSINESS FORMS

DAY BOOK.

FAIRMOUNT, JAN. 1, 1890.

Began business with assets, \$850.

1895

Dr.

Cr.

		Jan. 1							
61	JOHN TYLER	Dr.							
	To 1 bbl. St. Louis flour		6	25					
61	GEO. F. HALL	Dr.							
	To 10 lbs. gran. sugar @ 7¢	.70							
	" 2 " raisins @ .16	.32	1	02					
61	GEO. B. LEWIS	Cr.							
	By 20 lbs. butter @ .24	4.80							
	" 8 doz. eggs @ .22	1.76					6	56	
61	CHAS. ARMSTRONG	Dr.							
	To 3 pks. potatoes @ .25	.75							
	" 1 lb. saleratus	.08		83					
61	FRED. M. SARGENT	Dr.							
	To 2 bush. corn @ .70		1	40					
	SAM'L B. WOODFORD	Cr.							
	By 30 bbls. Baldwin apples @ 4.25						127	50	
61	STEPHEN GATES	Dr.							
	To 1½ doz. eggs @ .24	.36							
	" 1 bush. potatoes	1.00	1	36					
	Jan. 2								
61	JAMES DOLE	Cr.							
	By 60 lbs. cheese @ .18						10	80	
	WM. TRUE	Cr.							
	By 30 bu. potatoes @ .90						27	00	
61	JOHN TYLER	Cr.							
	By cash						3	00	
61	GEO. B. LEWIS	Dr.							
	To ½ bbl. St. Louis flour		3	20					
	Jan. 3								
61	SAM'L WOODFORD	Dr.							
	To cash		50	00					
61	GEO. F. HALL	Dr.							
	To 3 lbs. cheese @ .21	.63							
	" 2 " Rio coffee @ .28	.56	1	19					
61	JOHN TYLER	Cr.							
	By cash to bal. acct.						3	25	
	Jan. 4								
61	JAMES DOLE	Dr.							
	To 1 bbl. St. Louis flour	6.25							
	" 8 bu. corn @ .70	5.60	11	85					

LEDGER.

<i>Dr.</i>				JOHN TYLER.				<i>Cr.</i>			
1890		<i>D. B. Page</i>		1890		<i>D. B. Page</i>					
<i>Jan. 1</i>	<i>To Mdse.</i>	60	6	25	<i>Jan. 2</i>	<i>By Cash</i>	60	3	00		
			6	25	3	" "		3	25		
			6	25				6	25		

GEORGE F. HALL.

<i>Jan. 1</i>	<i>To Mdse.</i>	60	1	02					
3	" "		1	19					

GEO. B. LEWIS.

<i>Jan. 2</i>	<i>To Mdse.</i>	60	3	20	<i>Jan. 1</i>	<i>By Mdse.</i>	60	6	56
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CHAS. ARMSTRONG.

<i>Jan. 1</i>	<i>To Mdse.</i>	60		83					
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FRED. M. SARGENT.

<i>Jan. 1</i>	<i>To Mdse.</i>	60	1	40					
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SAM'L B. WOODFORD.

<i>Jan. 3</i>	<i>To Cash</i>	60	50	00	<i>Jan. 1</i>	<i>By Mdse.</i>	60	127	50
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STEPHEN GATES.

<i>Jan. 1</i>	<i>To Mdse.</i>	60	1	36					
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JAMES F. DOLE.

<i>Jan. 4</i>	<i>To Mdse.</i>	60	11	85	<i>Jan. 2</i>	<i>By Mdse.</i>	60	10	80
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WM. TRUE.

					<i>Jan. 2</i>	<i>By Mdse.</i>	60	27	00
--	--	--	--	--	---------------	-----------------	----	----	----

DRILL EXERCISE, No. 27.**ILLUSTRATING THE USE OF THE CASH BOOK.**

The pupil must have noticed that in the accounts with which we have been dealing so far there has been no separate record of one kind of transaction which occurs in any ordinary business.

Some goods are bo't or sold, and paid for at the time. If a person buys goods and pays for them at the time, he is not a debtor for them. If we buy of him and pay him at once, he is not a creditor.

It is not usual for book-keepers to place such cash transactions (*i.e.* cash rec'd or paid out) in the day book, except with persons who have standing accts. When one pays cash on account it is put in both the day book and cash book.

It is found to be of great convenience to keep an entirely distinct record of the cash transactions, paid or received. That is done by means of an acct. called a **cash account**. As this record is generally kept in a separate book, it is spoken of as the **Cash Book**. This record, as we shall see, is of very great importance in any business.

The memoranda which follow may be supposed to relate to the business of John D. Wilson, of Fairmount, a competitor of Wm. Mason, in the grocery trade.

The set of books into which these transactions are to be entered comprises **Day Book, Cash Book, and Ledger**. The D. B. and ledger are to be kept as in the preceding forms, except the entry of cash in the D. B. The set is given in full on pages 68-75, but the pupil should do the work in blanks of his own in the case of the D. B. and ledger, and should do it **without referring to the forms in the book**. Entries which have any new features will be explained as we proceed.

In doing the work we put ourselves in the position of John D. Wilson, the proprietor.

Jan. 1, 1890. Began business with mdse. on hand amounting to \$1750.00; cash on hand. \$850.00. The cash on hand should be entered in the Cash Book. For form of cash book, see pages 72, 73.

You will notice that while each page is ruled like our D. B., the left-hand column corresponds to the Dr. side of our ledger, and the right-hand column to the Cr. side. At the top the word "Cash" is written instead of some person's name.

The easiest way to understand cash or cash acct. is to imagine cash to be a person with whom we have dealings. Suppose we have a clerk to whom we intrust \$850 worth of property, and we make him Dr. to that am't, so that whenever we add to the am't in his possession we make him debtor for it, and whenever we take from the amount we make him creditor for it. This illustrates very well our method with cash. We charge cash with the money on hand, and with all money received or added to it. We credit cash with all money taken from it, *i.e.* paid out from it.

DRILL EXERCISE, No. 28.

Jan. 1, 1890. John D. Wilson commenced business with the following resources: — mdse. on hand (see inventory book), \$1750; cash (see cash book), \$850.

In this exercise our first entry in the cash book is on the Dr. side, \$850. We explain why cash is debtor by using the words "to the amount on hand," and record the amount in the money column.

Jan. 1, 1890. Sold Amos Walker, on acct., 2 lbs. Mocha coffee @ .35 lb.; 1 lb. Formosa tea, .50. Sold Stephen B. Lowell, on $\frac{1}{c}$, 24 gal. ker. oil @ .12. Sold Thomas Elwell, for cash, 3 gal. molas. @ .40 (the last item is a cash transaction, so we make cash Dr.).

The full form would be, To am't received of Thomas Elwell for 3 gals. of molas. @ .40; but it is not necessary that Thomas Elwell's name should appear in this cash book entry. The expression used is much briefer, and tells the essential particulars. Why is not Elwell's purchase entered in the D. B.?

Sold Edgar Martin, on $\frac{1}{c}$, 1 lb. chocolate, .38; 2 lbs. cheese @ .21. Sold Moses Blake, for cash, 8 lbs. gran. sugar @ 7¢. Why is this transaction entered in cash book, on which side, and why?

Bought of Nathan Stevens, on $\frac{1}{c}$, 4 bu. beans @ \$2.25, 12 bu. potatoes @ .88. Bo't of John Whitman, for cash, 15 lbs. butter @ .22. This is a cash transaction, and must be entered in the cash book. To pay for the butter, we have taken from cash, and therefore make cash Cr. Why is not this transaction entered in the day book?

(2) Sold Henry L. Newcomb, on $\frac{1}{c}$, 1 bbl. Franklin Mills flour, \$6.50; 3 cans tomatoes @ .10.

The day book accounts of Jan. 1 should now be posted.

Jan. 8. Bought of J. T. Banks & Co., on $\frac{1}{c}$, 50 bbls. White Crescent flour @ \$5.20.

As John D. Wilson's book-keeper, write a letter for him, address it to J. T. Banks & Co., 44 Broad St., Boston, Mass., ordering the flour on one month's time.

Paid freight bill on the flour from Boston, \$18. Enter which side, Dr. or Cr. of cash?

Sold for cash 10 lbs. butter @ .27, 4 doz. eggs @ .24.

Sold Edgar Martin, on $\frac{1}{c}$, 4 lbs. 7 oz. butter @ .27, \$1.20. We enter it as \$1.20, since the fraction is more than $\frac{1}{4}$ a cent; less than $\frac{1}{4}$ would be \$1.19.

Henry L. Newcomb pd. cash on $\frac{1}{c}$, \$5. Enter this in D. B. Why? Also in the cash book. Why?

A collection of transactions under the person's name of a debtor or creditor is called a **personal account**. All transactions affecting personal accounts are entered in the **Day or Note Book**.

A collection of transactions in the payment or receipt of cash is called a **cash account**.

All cash transactions affecting receipts and payments are entered in the **Cash Book**.

An acct. which is **both personal and cash** is **generally entered in the Day or Note Book and Cash Book**.

Sold Amos Walker, on $\frac{1}{c}$, 1 bbl. Franklin Mills flour, \$6.50. Bo't of Nathan Stevens, on $\frac{1}{c}$, 10 bbls. apples @ \$1.00; sold Edgar Martin, on $\frac{1}{c}$, 4 lbs. Muscatel raisins @ .18; 2 bu. corn @ .72. Jan. 8, Bo't of Stephen B. Lowell, on $\frac{1}{c}$, 40 gals. cider vinegar @ .16. Sold, for cash, 3 apples @ 1¢; 2 yeast cakes @ 2¢, 7¢.*

Sold Fred. M. Sargent, on $\frac{1}{c}$, 1 bbl. White Crescent flour, \$6.40. How much did the flour cost us per bbl., including freight? What is the per cent. of profit on the bbl. sold to Sargent?

Jan. 15. Sold, for cash, 3 bbls. White Crescent flour @ \$6.40; sold Fred. M. Sargent, on $\frac{1}{c}$, 3 gal. molasses @ .40; sold Nathan Stevens, on $\frac{1}{c}$, 1 bbl. Franklin Mills flour, \$6.50, and paid cash to bal. his $\frac{1}{c}$.

* Trivial sales of this kind may be entered as "petty sales," without specifying the items. But care must be taken to enter them correctly on the Dr. or Cr. side. These small sales are often recorded during the day in a separate book, and at night are entered in the cash book as "petty sales."

In Stevens' ledger $\%$ we find him credited by mdse. \$29.56. He was to take part pay in mdse. and the bal. in cash. He takes flour to am't of \$6.50. How much cash must we pay him? We debit him with the flour in the D. B., also with the cash. Why?

We also enter the cash in the cash book; on which side, and why? When we post the $\%$ we might enter it in two parts—mdse. and cash—but the usual way is to enter the whole am't as sundries. (Explain the meaning of sundries.)

Sold Edgar Martin, on $\%$, 3 cans of corn @ .12; 3 lbs. Arabian coffee @ .35. Sold Geo. Walton, for cash, 3 bu. potatoes @ .96. Paid J. T. Banks & Co., cash on $\%$, \$100. Sold Phineas Hoyt, on $\%$, 1 bbl. F. Mills flour, \$6.50; 12 qts. beans, @ 9¢; 1 gross matches, .60.

Jan. 16. Sold Stephen B. Lowell, on $\%$, 2½ bu. corn @ .72.

When an $\%$ is settled, it is usual to find the am't of Dr. and Cr. by adding each, and show the settlement by drawing double red lines under them.

In case of new transactions with the same party, they may be posted under the same heading in the ledger, though considered as a new $\%$, in all cases giving the full new date, i.e. day and year.

John D. Wilson takes \$19.12 cash for personal expenses.*

Phineas Hoyt has returned the bbl. of flour he bought Jan. 15, for which we credit him \$6.50. This can be treated as if we bought the flour of him. Petty cash sales to-day, \$1.46.

Jan. 24. Sold Edgar Hamilton, on $\%$, 20 lbs. sugar @ 7¢; 2 bu. apples @ \$1.25. Sold, for cash, 3 bbls. F. Mills flour @ \$6.50; 30 lbs. sugar @ 7¢. Edgar Martin pd. cash, on $\%$, \$2.00. Sold Amos Walker, on $\%$, 1 bu. apples, \$1.25; 8 lbs. codfish @ 7¢; 1 bottle horse radish, .10. Sold Fred. M. Sargent, on $\%$, 12 qts. beans @ 9¢; 1 doz. eggs, .22; 1 box table salt, .25.

Bo't for cash, 15 lbs. 12 oz. butter @ .23. Sold Henry L. Newcomb, on $\%$, 2 gals. ker. oil @ .14; 2 gals. cid. vinegar, @ .20; 1 bu. potatoes, .98. Bo't of Stephen B. Lowell, on $\%$, 4 doz. eggs @ .20. Petty cash sales for the day am't to \$3.75. Sold Nathan Stevens, on $\%$, 1 gal. molasses, .40; 4 lbs. oatmeal @ 5¢; 5 lbs. rice @ .10.

Jan. 27. Sold Phineas Hoyt, on $\%$, 8 lbs. buckwheat @ 5¢; 3 lbs. 8 oz. cheese @ .22. Sold Nathan Stevens, on $\%$, 3 lbs. Maracaibo coffee @ .32; 2 lbs. strained honey @ .25; 6 bu. corn @ .72.

Sold for cash, 2 bbls. White Cres. flour @ \$6.40. Sold Stephen B. Lowell, on $\%$, 6 lbs. Valencia raisins @ .10.

Jan. 29. Amos Walker has worked for us 3 days (@ \$1.50 per day), which we credit him, on $\%$.

Bo't of Nathan Stevens, on $\%$, 12 lbs. butter @ .23. Sold Edgar Hamilton, on $\%$, 1 bbl. White Cres. flour, \$6.40. Sold for cash, 8 bu. potatoes @ .98; 4 gals. molasses @ .40.

Jan. 31. Sold for cash, 12 bu. apples @ \$1.25; 30 lbs. sugar @ 7¢. Nathan Stevens paid cash to bal. his $\%$, which we credit him in the D. B., and carry to the ledger and bal. as before.

Sold Edgar Hamilton, on $\%$, 2 qts. mixed pickles @ .25; 1 lb. oyster crackers, .10; 7 lbs. codfish @ 7¢. Sold Henry L. Newcomb, on $\%$, 4 lbs. Muscatel raisins @ .18; 1 doz. eggs, .20. Petty cash sales for the day, \$3.17. Paid cash for store rent for January, \$15.

The transactions for January are now supposed to be properly recorded in the day book, cash book, and ledger. (See pp. 68-76 inclusive.)

* As this is taken from cash it must be credited to cash. It is necessary to open an account with the proprietor in the Ledger, to credit him with all investments, and to debit him with all sums taken from the business. It is a convenient place to enter **gain** or **loss** at the closing of the books, and to show the **present worth** at any time. The \$19.12 should not enter the business for profit or loss.

DRILL EXERCISE, No. 29.

Suppose we wish to know precisely how our business stands, i.e. how much we owe, how much is due us, and how much property we have on hand. Explain how we are to ascertain.

The property which one has in his possession and what is owed to him by others constitute his assets.

His debts to others are his liabilities.

As this closes the month's transactions, let us find out our assets and our liabilities. We can readily tell from the ledger how we stand with each person with whom we have an account.

So let us run through and be able to answer the following questions:—

Who owe us more than we owe them? or which accounts show a balance in our favor?

What is the total amount of balance in our favor?

Whom do we owe more than they owe us?

What is the total amount of the balance due them from us?

What is the total amount of our assets?

To ascertain the answer to the last question, we must find our cash on hand, the bal. due us, and the mdse. on hand. The sum of these compared with our liabilities will show how we stand—whether we have gained or lost. The cash book, if correctly kept, will show the cash we have on hand. On the Dr. side were entered the amount which we had on beginning business and also each sum we have received since. On the Cr. side have been entered all the sums of cash paid out. Hence, *the difference between the footings of the Dr. and Cr. sides of the cash book will show how much cash we have on hand.* This is verified by counting the cash.

According to the cash book, how much have we on hand at the close of business Jan. 31?

To get at the value of mdse. on hand it is usual to take an acct. of all the goods on hand at the cost price or their cash value, which is called **taking acct. of stock** or **making an inventory of mdse.**

If our inventory shows that we have mdse. to the am't of \$1930, what is the am't of our assets, i.e. of mdse., cash, and balances in our favor as shown by the ledger?

What is the am't of our liabilities as shown by the ledger?

What is the difference between our assets and liabilities?

What is our net capital at the close of business Jan. 31/90?

When we began business Jan. 1 we had merchandise on hand to the amount of \$1750, and cash, \$850—total assets, \$2600. This amount was our net capital, as we then had no liabilities.

Have we made a gain or loss during the month?

The ability to answer this question intelligently requires a knowledge of the essential facts in keeping accounts.

At stated periods, weekly, monthly, or yearly, according to the nature and extent of the business, it is customary for those who keep accounts to go through a process called **balancing the accounts** or **closing the books**. This work has to do only with the **Ledger** and the **Cash Book**. Some have a ledger acct. with cash, especially in D. E. In that case, only the ledger would be used in balancing accts. It is done in order that the condition and results of the business at the time may be easily seen and comprehended. Let us now go through with this process, beginning with Amos Walker's account in the ledger.

(The pupil should turn to Amos Walker's account in the ledger on page 74 in this book, and also to the same account in his own ledger, and do the work indicated.)

Footings the Dr. column of the account, we find that the amount is \$9.61. The Cr. side amounts to \$4.50. To balance the account we must enter **\$5.11** on the Cr. side. We do this with the words

"By Balance," written in red ink, and with the amount \$5.11, also in red ink, carried into the money columns. You will understand that this entry does not affect the account at all. It merely means that it would take a payment of \$5.11 from Amos Walker to settle his account. The entry is made in red ink to show that it is not the record of any transaction with Amos Walker, and that it was not posted from the day book. The footings are then placed under each column, with lines in red ink drawn underneath, and the account is said to be closed.

Stephen B. Lowell's account is the larger on the Cr. side. To balance it we enter in red ink \$1.92 on the Dr. side, with the words **"To Balance."** This shows that it would take a payment of \$1.92 from us to Stephen B. Lowell to settle his account. We then close his account in the same way that we closed Amos Walker's. We proceed in the same way with the other ledger accounts with the exception of Nathan Stevens', which is already closed.

Turning to the cash book, we find that the footings of the Dr. side are \$958.01; of the Cr. side, \$182.01. We enter the difference, \$775.91, in red ink **"By balance on hand"** on the Cr. side. We then close the account. The **"Balance on hand"** in an actual business should, of course, correspond exactly with the result obtained by counting the cash. Reviewing the work, you will readily see what the red ink balances show. A red ink balance on the Cr. side of a ledger account shows that the Dr. side is really the larger by that amount, i.e. that that amount is due the proprietor. On the other hand, a red ink balance on the Dr. side shows the proprietor owes that amount. The red ink balance on the Cr. side of Cash shows the amount of cash on hand. Therefore, **all red ink balances on the Cr. side represent Assets; all red ink balances on the Dr. side represent Liabilities.**

For convenience, a condensed statement of the condition of the business is usually drawn off, similar to that shown on page 76. Consulting that statement (which is often called a balance sheet), you notice that we have placed assets, consisting of ledger balances in our favor, cash and mdse., on the left-hand side of the page; and that the liabilities, consisting of ledger balances against us, have been put on the right-hand side. The difference between the total amount of liabilities and assets, viz., \$2580.44, is our present worth, and we enter it as such on the right-hand side, thus balancing the sheet. We then compare our present worth on Jan. 1 with our **present worth** of Jan. 31, showing a loss during the month of \$19.56.

That statement, as you perceive, tells the whole story of the business.

Before any new accounts can be disposed of we must open our ledger accounts and the cash book.

Turning again to Amos Walker's account, we find that the red ink balance of \$5.11 is on the Cr. side. That means, as we have seen, that the Dr. side of his account is really the larger by \$5.11, and when the account is opened it must show that fact. On the Dr. side, then, under date of Feb. 1, we write in black ink, **"To Balance, \$5.11,"** and the account is said to be opened. In Stephen B. Lowell's account the red ink balance was on the Dr. side, and the account is opened by writing **"By Balance \$1.92"** on the Cr. side. The other Ledger accounts are opened in a similar way.

On the same principle the cash book is opened. The red ink balance of \$775.91 on the Cr. side shows that the Dr. side is really the larger by that amount, i.e. that we have on hand \$775.91. We therefore enter the amount on the Dr. side with the words **"To balance on hand."** Our books are now opened and ready for new entries.

(The pupil will understand that after an account has been opened in this way it is practically a new account, and that when he has occasion to add to the Dr. or Cr. sides again he need not include *the items of the old account.* Why?)

According to the cash book, John D. Wilson had \$850 cash on hand on beginning business. That does not necessarily mean, however, that he had that amount of money lying in his money drawer or safe.

Even in a small business the proprietor usually places most of his cash in a bank for safe keeping. Money that is so intrusted is called a **deposit**. When the proprietor wishes to draw his money, or any part of it, from the bank, he writes an order directing the bank to pay the amount to himself or to some party whom he names. Such an order is called a **bank check**. Some business men keep an account with the bank, making the bank Dr. for money deposited and giving it credit for money withdrawn.

But that is not usual. The bank gives to every depositor a bank book, in which is recorded the amount of each deposit, and by keeping a memorandum of checks drawn he can tell, at any time, how much money he has in the bank. So money deposited in the bank is usually considered a part of the cash on hand. When a payment of considerable amount is to be made, and especially if it is to be sent through the mail, it is usually made by means of a check.

For instance, when, on Jan. 15, John D. Wilson had occasion to make a payment of \$100 to J. T. Banks & Co., of Boston, we may suppose that he did it by sending a check. For form of check see page 27 and below.

Every bank which receives deposits has printed forms of checks which it furnishes to its depositors. In our example the printed part is indicated, and John D. Wilson's name would be used instead of Ella P. Desmond's, and \$100 substituted for \$30, and J. T. Banks & Co.'s name for Micah Hammond's. It would be dated at Fairmount instead of Boston. Having filled out the check, Wilson would send it to J. T. Banks & Co. They could collect the money of the Fairmount Bank, but as that would not be convenient, they probably would take it to some Boston bank which has dealings with the bank in Fairmount. They endorse the check by writing their name across the back, and receive the \$100 from the Boston bank. This bank charges the amount to the account of the Fairmount bank, which finally pays the Boston bank.

J. T. Banks & Co. would endorse the check for two reasons: first, to show that they had transferred the right to collect the \$100 to another, and, secondly, to show that they may be held responsible for its payment. For instance, if it should be found that John D. Wilson had no money in the Fairmount bank, that bank would, of course, refuse to "honor" it, that is to pay the amount of the check. The Boston bank would then look to J. T. Banks & Co. for the money.

<i>Fairmount, Mass., Jan. 15, 1890 No. 25</i>		
The School National Bank of Boston.		
<i>Pay to the order of</i>	<i>J. T. Banks & Co.</i>	<i>\$100.</i>
<div style="display: flex; justify-content: space-between;"> ~~~~~One hundred~~~~~ ~~~~~dollars. </div>		
<i>John D. Wilson.</i>		

DAY BOOK.

DRILL EXERCISE, No. 29.

John D. Wilson commenced business with the following resources:—

1890	L. Page.		Dr.	Cr.
Jan. 1	74	JOHN D. WILSON		
		By cash on hand	850.00	
		" Mdse. invested	1750.00	2600 00
	74	AMOS WALKER	Dr.	
		To 2 lbs. Mocha coffee @ .35	.70	
		" 1 lb. Formosa tea	.50	1 20
	74	STEPHEN B. LOWELL	Dr.	
		To 24 gals. ker. oil @ .12		2 88
	74	EDGAR MARTIN	Dr.	
		To 1 lb. chocolate	.38	
		" 2 lbs. cheese @ .21	.42	80
	74	NATHAN STEVENS	Cr.	
		By 4 bu. beans @ 2.25	9.00	
		" 12 bu. potatoes @ .88	10.56	19 56
	75	HENRY L. NEWCOMB	Dr.	
		To 1 bbl. Franklin M. flour	6.50	
		" 3 cans tomatoes @ .10	.30	6 80
		Jan. 8		
	75	J. T. BANKS & Co.	Cr.	
		By 50 bbls. White Crescent flour @ 5.20		260 00
	75	FRED. M. SARGENT	Dr.	
		To 1 bbl. White Crescent flour		6 40
	74	EDGAR MARTIN	Dr.	
		To 4 $\frac{1}{16}$ lbs. butter @ .27		1 20
	75	HENRY L. NEWCOMB	Cr.	
		By cash on $\frac{1}{16}$		5 00
	74	AMOS WALKER	Dr.	
		To 1 bbl. Frank. M. flour		6 50
	74	EDGAR MARTIN	Dr.	
		To 4 lbs. Muscatel raisins @ .18	.72	
		" 2 bu. corn @ .72	1.44	2 16
	74	NATHAN STEVENS	Cr.	
		By 10 bu. apples @ 1.00		10 00

1890

Dr.

Cr.

		<i>Jan. 8, 1890</i>					
74	STEPHEN B. LOWELL	Cr.					
	<i>By 40 gals. cider vinegar @ .16</i>					6	40
	<i>Jan. 15</i>						
75	FRED. M. SARGENT	Dr.					
	<i>To 3 gals. molasses @ .40</i>		1	20			
74	NATHAN STEVENS	Dr.					
	<i>To 1 bbl. Frank. M. flour</i>	6.50					
	<i>" cash to bal.</i>	23.06	29	56			
74	EDGAR MARTIN	Dr.					
	<i>To 3 lbs. Arabian coffee @ .35</i>	1.05					
	<i>" 3 cans corn @ .12</i>	.36	1	41			
75	J. T. BANKS & Co.	Dr.					
	<i>To cash on $\frac{9}{16}$</i>		100	00			
75	PHINEAS HOYT	Dr.					
	<i>To 1 bbl. Frank. M. flour</i>	6.50					
	<i>" 12 qts. beans @ 9¢</i>	1.08					
	<i>" 1 gross matches</i>	.60	8	18			
	<i>Jan. 16</i>						
74	STEPHEN B. LOWELL	Dr.					
	<i>To 2½ bu. corn @ .72</i>		1	80			
74	JOHN D. WILSON	Dr.					
	<i>To cash for personal expenses</i>		19	12			
75	PHINEAS HOYT	Cr.					
	<i>By 1 bbl. Frank. M. flour returned</i>					6	50
	<i>Jan. 24</i>						
75	EDGAR HAMILTON	Dr.					
	<i>To 20 lbs. sugar @ 7¢</i>	1.40					
	<i>" 2 bu. apples @ 1.25</i>	2.50	3	90			
74	EDGAR MARTIN	Cr.					
	<i>By cash on $\frac{9}{16}$</i>					2	00
74	AMOS WALKER	Dr.					
	<i>To 1 bu. apples</i>	1.25					
	<i>" 8 lbs. codfish @ 7¢</i>	.56					
	<i>" 1 bot. horse radish</i>	.10	1	91			
75	FRED. M. SARGENT	Dr.					
	<i>To 12 qts. beans @ 9¢</i>	1.08					
	<i>" 1 doz. eggs</i>	.22					
	<i>" 1 box table salt</i>	.25	1	55			

1890

Dr.

Cr.

		<i>Jan. 24</i>							
75	HENRY L. NEWCOMB	Dr.							
	To 2 gals. ker. oil @ .14	.28							
	" 2 gals. cider vinegar @ .20	.40							
	" 1 bu. potatoes	.98	1	66					
74	STEPHEN B. LOWELL	Cr.							80
	By 4 doz. eggs @ .20								
74	NATHAN STEVENS	Dr.							
	To 1 gal. molasses	.40							
	" 4 lbs. oatmeal @ 5¢	.20							
	" 5 lbs. rice @ .10	.50	1	10					
	<i>Jan. 27</i>								
75	PHINEAS HOYT	Dr.							
	To 8 lbs. buckwheat @ 5¢	.40							
	" 3 ³ / ₁₆ lbs. cheese @ .22	.77	1	17					
74	NATHAN STEVENS	Dr.							
	To 3 lbs. Maracaibo coffee @ .32	.96							
	" 2 lbs. strained honey @ .25	.50							
	" 6 bu. corn @ .72	4.32	5	78					
74	STEPHEN B. LOWELL	Dr.							
	To 6 lbs. Valencia raisins @ .10			60					
	<i>Jan. 29</i>								
74	AMOS WALKER	Cr.						4	50
	By 3 days' labor @ 1.50								
74	NATHAN STEVENS	Cr.						2	76
	By 12 lbs. butter @ .23								
75	EDGAR HAMILTON	Dr.							
	To 1 bbl. White Cres. flour		6	40					
74	NATHAN STEVENS	Cr.						4	12
	By cash to bal.								
	<i>Jan. 31</i>								
75	EDGAR HAMILTON	Dr.							
	To 2 qts. mixed pickles @ .25	.50							
	" 1 lb. oyster crackers	.10							
	" 7 lbs. codfish @ 7¢	.49	1	09					
75	HENRY L. NEWCOMB	Dr.							
	To 4 lbs. Muscatel raisins @ .18	.72							
	" 1 doz. eggs	.20		92					

TELEGRAPH BLANK AND MESSAGE.

Below will be found a telegraph blank which has printed on it the conditions on which the company sends messages, and to which the sender is supposed to agree.

All telegraph companies print on their blanks certain conditions on which their employees send messages.

This blank is filled by a supposed telegram from John D. Wilson to J. T. Banks & Co., of Boston.

THE GREAT NORTH WESTERN TELEGRAPH COMPANY OF CANADA.

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

It is agreed between the sender of the following message and this Company that said Company shall not be liable for damages arising from failure to transmit or deliver, or for any error in the transmission or delivery of an unrepeatable telegram, whether happening from negligence of its servants or otherwise, or for delays from interruptions in the workings of its lines, for errors in cypher or obscure messages, or for errors from illegible writing, beyond the amount received for sending the same. To guard against errors, the Company will repeat back any telegram for an extra payment of one-half the regular rate, and in that case it shall not be liable for damages beyond fifty times the amount received for sending and repeating.

Correctness in the transmission of messages can be insured by contract in writing, stating agreed amount of risk, and payment of premium thereon at the following rates, in addition to the usual charges for repeated messages, viz.: one per cent. for any distance not exceeding 1000 miles, and two per cent. for any greater distance.

This Company shall not be liable for the act or omission of any other Company, but will endeavor to forward the telegram by any other Telegraph Company necessary to reaching its destination, but only as the agent of the sender and without liability therefor. The Company shall not be responsible for messages until the same are presented and accepted at one of its transmitting offices; if a message is sent to such office by one of the Company's messengers, he acts for that purpose as the sender's agent; if by telephone, the person receiving the message acts therein as agent of the sender, being authorized to assent to these conditions for the sender. This Company shall not be liable in any case for damages, unless the same be claimed, in writing, within sixty days after receipt of the telegram for transmission.

No employee of the Company shall vary the foregoing.

H. P. DWIGHT,
President and General Manager.

Direct Connection with Atlantic Cables and Western Union Telegraph Co.

SENT NO.	SENT BY	REC'D BY	TIME SENT.	TIME FILED.	CHECK.
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Send the following Message, subject to the above Terms, which are hereby agreed to.

Fairmount, Me., Jan. 15, 1890

To *J. T. Banks & Co.,*

44 Broad St., Boston, Mass.

I send you on account check for one hundred dollars.

John D. Wilson.

The pupils should be required to write and rewrite in their own words the above and other telegrams. But they should condense them to ten words, as there is an extra charge for each word above the ten. Let the pupils find out how much for each extra word.

The date, party addressed, including the address and signature, are not counted in sending a telegram.

CASH.

Dr.

1890

Jan.	1	To am't on hand	850	00
		" 3 gals. molasses @ .40	1	20
		" 8 lbs. gran. sugar (Blake) @ 7¢		56
	8	" 10 lbs. butter @ .27	2	70
		" 4 doz. eggs @ .24		96
		" Henry L. Newcomb, cash	5	00
		" petty sales		07
	15	" 3 bbls. White Cres. flour @ \$6.40	19	20
		" 3 bu. potatoes @ .96	2	88
	16	" petty sales	1	46
	24	" 3 bbls. Frank. M. flour @ \$6.50	19	50
		" 30 lbs. sugar @ 7¢	2	10
		" Edgar Martin, cash	2	00
		" petty sales	3	75
	27	" 2 bbls. White Cres. flour @ \$6.40	12	80
	29	" 8 bu. potatoes @ .98	7	84
		" 4 gals. molasses @ .40	1	60
	31	" 12 bu. apples @ \$1.25	15	00
		" 30 lbs sugar @ 7¢	2	10
		" Nathan Stevens	4	12
		" petty sales	3	17
			958	01
Feb.	1	To balance on hand	775	91

CASH.

1891

Cr.

Jan. 1	By 15 lbs. butter @ .22	3	30
8	" paid freight on flour	18	00
15	" Nathan Stevens	23	06
	" J. T. Banks & Co.	100	00
16	" taken for personal expenses	19	12
24	" 15 $\frac{1}{4}$ lbs. butter @ .23	3	62
31	" paid rent on store for January	15	00
Jan. 31	By balance on hand	775	91
		958	01

LEDGER.

<i>Dr.</i>			<i>JOHN D. WILSON.</i>			<i>Cr.</i>		
1890		<i>D. B. Page</i>	1890		<i>D. B. Page</i>			
Jan. 16	To cash	69	19	12	Jan. 1	By investment	68	2600 00
31	" net loss		19	56				
31	Balance		2561	32				
			2600	00			2600	00

AMOS WALKER.

Jan. 1	To mdse.	68	1	20	Jan. 22	By labor	68	4 50
8	" "	68	6	50		By balance		5 11
24	" "	70	1	91				
			9	61				9 61
Feb. 1	To balance		5	11				

STEPHEN B. LOWELL.

Jan. 1	To mdse.	68	2	88	Jan. 8	By mdse.	68	6 40
16	" "	69	1	80	24	" "	70	80
27	" "	70		60				
Jan. 31	To balance		1	92				
			7	20				7 20

EDGAR MARTIN.

Jan. 1	To mdse.	68		80	Jan. 24	By cash	69	2 00
8	" "	68	1	20	Jan. 31	By balance		3 57
	" "	68	2	16				
15	" "	69	1	41				
			5	57				5 57
Feb. 1	To balance		3	57				

NATHAN STEVENS.

Jan. 15	To sundries	69	29	56	Jan. 1	By mdse	68	19 56
					8	" "	68	10 00
			29	56				29 56
Jan. 24	To mdse.	70	1	10	Jan. 29	By mdse.	70	2 76
27	" "	70	5	78	29	" cash (to bal.)		4 12
			6	88				6 88

Dr.		HENRY L. NEWCOMB.						Cr.	
1890		1890							
Jan. 1	To mdse.	68	6	80	Jan. 8	By cash	68	5	00
24	" "	70	1	66	Jan. 31	By balance		4	38
31	" "	70		92				9	38
			9	38					
Feb. 1	To balance		4	38					

J. T. BANKS & Co.

Jan. 15	To cash	69	100	00	Jan. 8	By mdse.	68	260	00
Jan. 31	To balance		160	00				260	00
			260	00				160	00
					Feb. 1	By balance			

FRED. M. SARGENT.

Jan. 8	To mdse.	68	6	40	Jan. 31	By balance		9	15
15	" "	69	1	20					
24	" "	69	1	55				9	15
			9	15					
Feb. 1	To balance		9	15					

PHINEAS HOYT.

Jan. 15	To mdse.	69	8	18	Jan. 16	By mdse. ret'd	69	6	50
27	" "	70	1	17	Jan. 31	By balance		2	85
			9	35				9	35
Feb. 1	To balance		2	85					

EDGAR HAMILTON.

Jan. 24	To mdse.	69	3	90	Jan. 31	By balance		11	39
29	" "	70	6	40					
31	" "	70	1	09				11	39
			11	39					
Feb. 1	To balance		11	39					

STATEMENT.

JANUARY 31, 1890.

<i>Assets.</i>		<i>Liabilities.</i>	
<i>Amos Walker am't</i>	\$ 5 11	<i>Stephen B. Lowell's %</i>	\$ 1 92
<i>Edgar Martin am't</i>	3 57	<i>J. T. Banks' %</i>	160 00
<i>Henry L. Newcomb am't</i>	4 38	Present worth, Jan. 31, 1890	2580 44
<i>Fred M. Sargent am't</i>	9 15		
<i>Phineas Hoyt am't</i>	2 85		
<i>Edgar Hamilton am't</i>	11 39		
<i>Cash</i>	775 91		
<i>Mdse. (as per inventory)</i>	1930 00		
	<u>\$2742 36</u>		<u>\$2742 36</u>
 <i>Net capital, Jan. 1, 1890</i>	 \$2600 00		
<i>Present worth, Jan. 31, 1890</i>	2580 44		
<i>Loss</i>	<u>\$19 56</u>		

DUE BILL.

\$25.00.

Malden, Mass., Nov. 25/96.

*Borrowed and received of Irving Bennett twenty-five dollars.**Henry V. Carter.*

A **Due Bill** is frequently written by a debtor as an acknowledgment of the debt. Different forms are used. Every form should give the place and date of the writing, to whom due, the amount due, and be signed by the debtor.

The time for payment is often specified in the writing as "on demand," or at a certain time after date, as follows:—

Borrowed and received of Irving Bennett twenty-five dollars payable ten days after date, or on demand, etc., or it may be written, Due Irving Bennett twenty-five dollars on demand, or if preferred, a certain number of days, or specified time after date.

DRILL EXERCISE No. 30.

BOOT AND SHOE DEALER'S ACCOUNT.

We suppose the following is a record of your business transactions for a week. Transfer to the proper books.

Sept. 2, 1895. Merchandise on hand, valued at \$2500. Cash, \$550.50. Sold Alonzo Trafton, on account, 12 pairs of boots, @ \$5.25; and 24 pairs of shoes, @ \$2.62½. Cash sales, \$45.25. (3) Sold Adam Crocker, on account, 60 pairs of shoes, @ \$2.50; and 50 pairs of rubbers, @ .90. Cash sales, \$37.10. (4) Bought of Henry Whipple, on account, 150 pairs of boots, @ \$4.50; and 100 pairs of shoes, @ \$2.25; gave, in part payment, cash \$325. Cash sales, \$58.75. (5) Sold Alonzo Trafton, on account, 50 pairs rubbers, @ .90; received from Adam Crocker, on account, cash \$100. Cash sales, \$49.50. (6) Bought of Henry Whipple, on account, 100 pairs of rubbers, @ .75; paid him on account, cash \$350. Cash sales, \$55.25. (7) Received from Alonzo Trafton, cash \$171, less a dis't of \$3 to settle his account; paid for clerk hire, cash \$30; and for rent of store, cash \$50. Cash sales, \$62.35. Value of merchandise on hand at the close of week, \$2800.80.

Make a statement showing resources and liabilities, and gain or loss.

Write a receipt for rent of your store located at 150 Salem Street, Malden, for the month of August, 1895.

Make out a sight draft after 30 days against Alonzo Trafton in favor of Henry Whipple for the balance you owe him under dates Sept. 4 and 6. Have Trafton accept it by writing "accepted" with the date, and sign his name across the face. See page 31.

From what date are the days of Cr. counted? See p. 31. What effect has such an acceptance written on the draft? See p. 31.

1895		Dr.	STUDENT.			Cr.	
Sept.	7	Net loss	83	00	Sept. 2	Merchandise on hand	2500 00
		Present worth	2967	50		Cash on hand	550 50
			3050	50			3050 50
					9	Present worth	2967 50

		Dr.	ALONZO TRAFTON.			Cr.	
Sept.	2	12 pr. boots @ \$5.25	63	00	Sept. 7	Cash on ¼	168 00
		24 " shoes @ \$2.62½	63	00		Discount to bal.	3 00
	5	50 " rubbers @ .90	45	00			
			171	00			171 00

1895		Dr.		CASH.		Cr.	
Sept. 2	Amount on hand	550	50	Sept. 4	Henry Whipple on %	325	00
	Sales this day	45	25	6	" " "	350	00
3	" " "	37	10	7	Clerk, salary to date	30	00
4	" " "	58	75		Rent of store for Sept.	50	00
5	Adam Crocker, on %	100	00		Balance on hand	371	70
	Sales this day	49	50				
6	" " "	55	25				
7	Alonzo Trafton, on %	168	00				
	Sales this day	62	35				
		1126	70			1126	70
9	Balance	371	70				

Dr.				ADAM CROCKER.		Cr.			
Sept.	3	60 pr. shoes @ \$2.50	150	00	Sept.	5	Cash on %	100	00
		50 " rubbers @ .90	45	00		7	Balance	95	00
			195	00				195	00
	9	Balance	95	00					

Dr.				HENRY WHIPPLE.		Cr.			
Sept.	4	Cash on %	325	00	Sept.	4	150 pr. boots @ \$4.50	675	00
	6	" "	350	00			100 " shoes @ \$2.25	225	00
	7	Balance	300	00		6	100 " rubbers @ .75	75	00
			975	00				975	00
						9	Balance	300	00

1895

STATEMENT.

		RESOURCES.			
Sept. 7	Merchandise on hand	2800	80		
	Cash on hand	371	70		
	Adam Crocker, on acct.	95	00		
	Total resources			3267	50
		LIABILITIES.			
	Henry Whipple, on acct.			300	00
	Present worth			2967	50
	Net capital Sept. 2	3050	50		
	Present worth	2967	50		
	Net loss, Sept. 9	83	00		

Many people, even some of those who do a large retail business, carry the original entries in full directly to the ledger. Some book-keepers enter several items on the same line, as indicated on page 42. In making such entries, the space for charges is generally ruled much wider than that for the credits.

In making bills or itemized statements, this form is very convenient, as well as for ready reference. The space for charges is often ruled much wider than is given in the first form below.

LEDGER ENTRY FORM I

Dr.		ALONZO TRAFTON.				Cr.			
1895		1895							
Sept.	2	To 12 pr. boots @ \$5.25	63	00	Sept.	7	By cash on acct.	168	00
		" 24 " shoes @ 2.62½	63	00			" discount to bal.	3	00
	5	" 50 " rubbers @ .90	45	00					
			171	00				171	00

FORM II

Some expert book-keepers use ordinary day-book ruled form for their ledger entries, as follows:—

1895		ALONZO TRAFTON.		<i>Dr.</i>		<i>Cr.</i>	
Sept. 2	To 12 pr. boots @ \$5.25, \$63; 24 pr. shoes @ \$2.62½, \$63	126	00				
5	To 50 pr. rubbers @ .90	45	00				
7	By cash on acct., \$168; dis. to bal., \$3			171	00		
		171	00	171	00		

FORM III

Or only one item need be entered on a line if preferred.

1895		ALONZO TRAFTON.		<i>Dr.</i>		<i>Cr.</i>	
Sept. 2	To 12 pr. boots @ \$5.25	63	00				
	" 24 " shoes @ 2.62½	63	00				
5	" 50 " rubbers @ .90	45	00				
7	By cash on acct.					168	00
	" discount to bal.					3	00
		171	00	171	00		

For people of limited business transactions the last is a very convenient form into which it is easy to transfer items from a pocket diary or any book of original entries. The teacher can direct the use of the form preferred in working out the following examples, and make such selection from these examples as the time allotted for this branch of study will allow.

DRILL EXERCISE, No. 31.

The following indicates some of the cash entries in a country store. Make the entries in your own name, as if you were the owner. Use the date of the writing, commencing with Monday. At the close of the week find out the cash on hand.

189		Dr.	189		Cr.		
July 1	Cash on hand	165	95	July 1	Paid rent on store	15	00
	You owe H. Jones a personal one year note for	150	00		" 10 bu. potatoes @ .50		
	Sold 5 gals. P. R. molas. @ .55				" gas bill for quarter ending June 30	6	00
	" 1 bbl. St. Louis flour	4	50		" interest on \$150 note to H. Jones, 6 mos.		
	" 6 cans tomatoes @ .15			2	" 1 ton nice hay	15	00
2	" 2 bbls. Pillsbury's Best flour @ \$5.25				" 5 bbls. A1 apples @ \$2		
	" 1 tub Vt. butter, 55 lbs., @ .30				" 10 bu. potatoes @ .50		
3	" 3 bbls. apples with a profit of 25% on \$2 the cost			3	" 3 bu. pea beans @ \$2.50		
	" 25 lbs. sugar @ 5¢				" water bill for year ending Dec. 31	15	00
	" 5 " black tea @ .70				" 3 boxes strawberries @ 8½¢		
	" 6 doz. eggs @ .15			4	" 2 " blueberries @ .10		
	" 4 lbs. Java coffee @ .36				" 1 bu. string beans, \$2		
4	Rec'd int. from H. Dix on \$250 note, 1 year at 6%				" ½ bu. peas, .50		
	" rent on M. Jones' tenement for June	15	00		" 5 boxes blueberries @ .10		
	" cash for 1 tub butter, 10 lbs., @ .30			5	" 4 tubs butter, 10 lbs. each, @ .20		
	Sold for cash 2 bu. potatoes @ .60				" 2 boxes raisins, 30 lbs., @ .10		
	" 5 lbs. starch @ 8¢				" 1 bbl. P. R. molas., 40 gals., @ .45		
	" 6 cans corn @ .10				" 1 bbl. Am. P. R. molas., 40 gals., @ .25		
5	" 6½ lbs. corned beef @ 8¢			6	" 6 bbls. St. Louis flour @ \$4.50		
	" 10 " pork @ .14						
	" 12 " lard @ .14						
	" 1 box mustard, 8¢			6	Cash on hand	115	76
	" 6 lbs. sage cheese @ .13						
	" 1 bbl. White Swan flour	5	25				
6	" 1 bag meal, \$1.15						
	" 1 " salt, .15						
	" 10 lbs. raisins @ .15						
	" 2 " Rio coffee @ .28						
	" 1 " Java coffee, .35						
	" 1 bbl. apples, \$3.50						
	" 4 quarts beans @ .10						

Make out your water bill in favor of the city of Malden, Mass. Receipt it per your name.

Make out and receipt the bill for Myron Jones' rent of house for June, also for your rent of store for the quarter ending with June, in favor of Harry Doe. Is the \$150 note you owe H. Jones to be entered in this acct.? Why not? It is not connected with the business. Explain how you find the selling price of the 3 bbls. of apples at a profit of 25% above the cost.

DRILL EXERCISE, No. 32.

Transfer the following entries into the proper books in John Hook's name:—

1895

Aug. 12	Mdse. on hand	825	60	Aug. 15	CHAS. SPINNEY	Dr.		
	Cash	41	25		To 2 lbs. dried citron @ .20			
	Wm. Bevins owes on acct.	10	00		" 3 " Naples walnuts @ .18			
	Harry Barrows owes on acct.	8	00		" 2 cans Cal. peaches @ .30			
	James Jones " " "	5	00		" 2 " Lewis' pineapple @ .20			
	John Mitchell " " "	75	00		" 1 can blueberries, .15			
					" 1 " Damson plums @ .30			
12	HARRY BARROWS	Dr.			JAMES JONES	Dr.		
	To 4 lbs. Muscatel raisins @ .12				To 2 cans tomatoes @ .10			
	" 3 " Cal. " @ .10				" 3 " Booth's marrowfat			
	" 2 " Valencia " @ .10				peas @ .15			
	" 4 " Fine Cluster Malaga				" 3 cans Booth's sifted peas			
	raisins @ .20				@ .25			
	" 1 lb. nutmegs @ .90				Cr.			
	" 1/2 " cloves @ .20				By cash to bal. acct.	6	34	
	" 1/2 " cassia @ .20							
	" 1/2 " pimento @ .30				16 Wm. BEVINS	Cr.		
	" 1/2 " Cayenne pepper @ .30				By cash	10	00	
	" 1 " English currants, 6¢				As John Mitchell is reported lia-			
13	WM. BEVINS	Dr.			ble to fail, Hook offers him a			
	To 2 lbs. evap. apples @ .15				discount of 20 % from balance			
	" 2 " " peaches @ .30				due him if he (M.) will settle			
	" 1 " " apricots, .25				the acct. in full. He delivers			
	" 2 " Cal. prunes @ .15				Hook a two months' negotiable			
14	HARRY BARROWS	Cr.			note for \$25.00, dated Aug. 12,			
	By cash	4	24		1895, against Lemont Felt —			
	Dr.				non-interest bearing — and			
	To team 1 day	2	00		pays the balance in cash.			
	" 100 lbs. fine feed	1	20		Hook sells the note for cash to			
					Harry Barrows without re-			
					course.			
				17	Mdse. in store	790	30	
					Cash on hand	121	83	
					Net loss	39	13	

Post the account and show the financial standing at the close of the week ending Aug. 17.

Write Felt's note. Have Mitchell transfer it to John Hook. Have Hook transfer it to Harry Barrows, so as not to be held for its payment. See page 21, 1st and 3d form. Write a receipt in full for Mitchell, showing how the account was settled with Hook, including the discount. Enter Hook's loss by Mitchell in the proper place.

NOTE. — Make endorsements on notes, checks, etc., across the back of the left end.

DRILL EXERCISE, No. 33.

You are supposed to keep a grocery and provision store. Transfer these items, as in the former exercises, into cash book and ledger.

189

July 8		July 9	
Cash on hand	125 55	Sold for cash:	
A owes on acct.	35 00	20 bars Bab. soap @ 5¢	
B owes " "	23 00	1 bag Indian meal, .60	
I owe Henry Brown for sundries	15 00	1 pk. rye meal, .35	
----- 8 -----		Sold A:	
Sold A:		1 bbl. Columbia flour, \$5.50	
½ bbl. St. Louis flour, \$2.50		1 bag corn, \$1.60	
5 lbs. Cal. raisins @ .10		1 " oats, \$1	
10 lbs. Arlington wheat meal @ 3¢		5 gal. kerosene oil @ .12	
1 lb. mixed tea, .65		A brings me	
5 gal. P. R. molas. @ .55		5 bu. new potatoes @ \$1	
6 lbs. codfish @ .10		Draws 4 loads of dirt @ .75	
1 " Formosa tea, .65		2 bu. green peas @ \$1	
1 " green tea, .70		Sold for cash:	
2 " mixed coffee @ .34		5 gal. ker. oil @ .12	
20 " gran. sugar @ 5¢		4 doz. eggs @ .20	
Paid A cash for 6 days' work of hired man @ \$2.00 per day		½ bu. new potatoes, .63	
----- 8 -----		3 sales of peas, 1 pk. each, @ .35	
Sold for cash:		3 lbs. Mocha coffee @ .28	
4 gal. vinegar @ .20		7 " sage cheese @ .15	
1 pair brogans, \$2		5 " saltines. @ .15	
2 " slippers @ \$1		10 " Rangoon rice, @ 9¢	
25 lbs. gran. sugar @ 5¢		Bo't of B on Cr.:	
Bo't of B on acct.:		2 pairs ladies' boots @ \$3	
2 reams note paper @ \$2		2 " " rubbers @ .50	
4 boxes steel pens @ .50		2 " rubber boots @ \$2.50	
4 " white envel. @ .45		Paid for 1 wheel-barrow, \$3	
2 reams letter-size paper @ \$2		" Blacksmith for work, \$5	
Sold B:		July 10	
10 lbs. gran. sugar @ 5¢		Cash on hand	166 50
1 " best black tea, .75		" to bal. A's acct.	44 03
3 gal. N. O. molas. @ .50		" " " B's "	2 30
1 can luncheon beef, .35			

Evening of the 9th, A and B both settle their accounts in full with you. Make out and receipt a full statement for both A and B. Show the standing of your own cash account, and how much was paid to balance acct. of each — A and B.

DRILL EXERCISE, No. 34.

Write out the following in your own name. You have stock, \$955.75; cash, \$45.65; due you from John Hooper, \$30.50; from H. Dutton, \$20.50; from John Hook, \$45.25, and Ernest Thing, \$19.00.

NOTE BOOK.

1895				1895			
Aug. 5	Mdse. on hand	955	75	Aug. 8	WM. SHAW	Dr.	
	Cash on hand	45	65		To 10 lbs. gran. sugar @ 5¢		
	Bills due on acct.	115	25		" 6 gals. P. R. molas. @ .60		
		1116	65		" 5 " vinegar @ .20		
	JOHN HOOPER	Dr.		9	CHAS. RECORD	Cr.	
	To 3 bu. potatoes @ .75				By 2 bu. string beans @ \$2.25		
	" 3 lbs. Oolong tea @ .75				" 1 " potatoes, \$1		
	" 5 gals. N. O. molas. @ .55				" cash	.40	
	WM. SHAW	Dr.		10	JOHN HOOK	Cr.	
	To 1 bbl. W. S. flour, \$5.75				By cash	45	25
	" ½ " pastry flour @ \$5				H. DUTTON	Cr.	
6	NATHAN JUTE	Dr.			By cash	20	50
	To 25 lbs. gran. sugar @ 5¢				NATHAN JUTE	Dr.	
	JOHN HOOPER	Cr.			To 6 lbs. Amer. oats @ 4¢		
	By cash, \$5				" ½ bbl. Pillsbury's Best		
7	" 1 bu. beans, \$2.25				flour @ \$6 per bbl.		
	Cash on acct.	30	50		" 2 lbs. tapioca @ 8¢		
7	CHAS. RECORD	Dr.			" 1 box mustard, .16		
	To 12 cans corn @ .10				Cr.		
	" 12 " tomatoes @ .10				By cash to bal. acct.		
	" 5 gals. P. R. molas. @ .55			Aug. 10	Mdse. on hand	936	20
	" 5 cans best Lima beans @ .15				Cash on hand	152	11
8	JAMES HARPER	Dr.			Amt. due you	33	45
	To 2 lbs. Eng. break. tea @ .75				Net gain	5	11
	" 2 " Cayenne pep. @ .40						
	" 10 " Rangoon rice @ 8¢						
	Cr.						
	By 2 bu. green peas @ \$1						

What books are used for the transfer of the above entries? In the cash book what items are placed on the Dr. and what on the Cr. side? What is the difference between the **Day** or **Note Book** and **Ledger**? What does the ledger show? If a creditor questions the correctness of the L. showing, where could you find the original entries of the acct.? What convenience has the ledger over the note or day book?

DRILL EXERCISE, No. 35.

NOTE OR DAY BOOK.

The following is a simple form of single entry account, in which the transactions are written in a note or day book as they occur, from which they are posted to the cash book and ledger, or to the ledger only as preferred. Let this account be written in your name.

1895

Sept. 2	Cash on hand	350			Sept. 5	Sold John Carr on acct.			
	Mdse. in stock	1120	50			2 jars Scotch jam @ .25			
	Due on acct. from					3 " raspberry jam @ .23			
	Henry James	25	65			6 " marmalade @ .15			
	James Doone	50				1 can breakfast cocoa, .20			
	You owe Henry Dame	20				1 " condensed milk, .15			
	" " Taylor & Co.	90				Cr.			
	Paid for 1 Mt. Ash, .75					By 2 bu. potatoes @ .60			
	Paid for 2 Norway								
	Maples @ .90				6	Paid Henry Dame to bal.		20	
	Paid for 2 Snowball					acct.			
	Shrubs @ .37½					" for 1 ton coal		6	
	Rec'd cash for 2 pr. shoes					Rec'd cash of James Doone			
	@ \$1.50					on acct.		15	
	Rec'd cash for 1 pr. rub-								
	bers, 50¢					You give James Grimes an			
3	Sold Horace Gates on acct.					order on Mercer Stone			
	3 cans string beans @ .10					for 1 ton coal, \$5.50,			
	2 " Lima beans @ .14				7	which you charge			
	5 " Boston baked beans					Grimes on acct.			
	@ .15					You send Taylor & Co.			
	4 " Honey-drop succo-					check for 12 bbls. flour		90	
	tash @ .15					and groceries			
	2 " Oneida asparagus					Sold James Potts on acct.			
	@ .45					1 box Epps' cocoa, .22			
	6 " tomatoes @ .12					1 " Huyler's breakfast			
	2 " ox tongue @ .70					cocoa, .25			
	2 " lunch tongue @ .30					3 lbs. fruit crackers @ .15			
	1 " boned turkey, .45					2 lbs. Graham wafers @ .25			
	2 " curried fowl @ .30					1 umbrella, \$1.50			
	2 " Lewis clams @ .15					Sold for cash			
	By cash Cr.	4				10 yds. French calico @ .15			
	Henry James, Cr.					10 " gingham @ .18			
4	By cash on old acct.	10				25 " sheeting @ .10			
	Sold him on acct. 1 bbl.					10 " drilling @ .15			
	St. Louis flour	5				3 papers of pins @ 8¢			
	I pay cash for 1 ton hay	15			Sept. 7	1 pr. slippers, .90			
	" J. Holmes for 1 day's					Mdse. on hand	1291	70	
	work	2				Hay and coal on hand	20	00	
						Cash	254	64	
						Bal. due on acct.			

Write the order for Grimes on Stone for the ton of coal. Make it non-negotiable. Write the check for Taylor & Co., 350 Washington St., Boston, and the letter to accompany it. Inclose in envelope and address it to them.

1895	Dr.	Cash.	Receipts.
Sept. 2		Balance on hand	350 00
	2	pairs shoes, \$1.50	\$3.00
	1	pair rubbers,	.50
3		Horace Gates on acct.	4 00
4		Henry James " "	10 00
6		James Doone " "	15 00
7		Bill of Mdse.	8 44
			390 94
			390 94
Sept. 9		Balance	254 64

(STUDENT).

1895	Dr.	Ledger.	1895	Cr.
Sept. 2	Henry Dame	20 00	Sept. 2	Investment
30	Present worth	1539 05	30	Net gain
		1559 05		
			Oct. 1	Present worth
				1539 05

HENRY JAMES.

Sept. 2	Balance	25 65	Sept. 4	Cash on acct.	10 00
4	Mdse.	5 00	30	Balance	20 65
		30 65			30 65
Oct. 1	Balance	20 65			

JAMES DOONE.

Sept. 2	Balance	50 00	Sept. 6	Cash on acct.	15 00
			30	Balance	35 00
		50 00			50 00
Oct. 1	Balance	35 00			

HORACE GATES.

Sept. 3		6 90	Sept. 3	Cash on acct.	4 00
			30	Balance	2 90
		6 90			6 90
Oct. 1	Balance	2 90			

1895			Cash.	Payments.		Cr.	
Sept. 2	1	Mountain Ash	.75				
	2	Norway maples, .90	\$1.80				
	2	Snowball shrubs, .37½	.75	3	30		
4	1	ton of hay		15	00		
	1	day's labor (Holmes)		2	00		
6		Henry Dame on acct.		20	00		
	1	ton of coal		6	00		
7		Bill of Mdse. (Taylor & Co.)		90	00	136	30
		Balance				254	64
						390	94

Ledger.

HENRY DAME.

1895				Dr.		1895				Cr.	
Sept. 6	Cash on acct.		20	00	Sept. 2	Balance		20	00		

JOHN CARR.

Sept. 5	Mdse.		2	44	Sept. 2	Mdse.		1	20
					30	Balance		1	24
			2	44				2	44
Oct. 1	Balance		1	24					

JAMES GRIMES.

Sept. 6	Mdse.		5	50	Sept. 30	Balance		5	50
Oct. 1	Balance		5	50					

MERCER STONE.

Sept. 30	Balance		5	50	Sept. 6	Mdse.		5	50
					Oct. 1	Balance		5	50

JAMES POTTS.

Sept. 7	Mdse.		2	92	Sept. 30	Balance		2	92
Oct. 1	Balance		2	92					

STATEMENT, SEPTEMBER 30, 189 .

		RESOURCES.			
<i>Ledger</i>	<i>Henry James</i>		20 65		
	<i>James Doone</i>		35 00		
	<i>Horace Gates</i>		2 90		
	<i>John Carr</i>		1 24		
	<i>James Grimes</i>		5 50		
	<i>James Potts</i>		2 92		
<i>Cash Book</i>	<i>Cash on hand</i>		254 64		
<i>Inventory</i>	<i>Merchandise unsold</i>		1291 70		
	<i>Hay and coal on hand</i>		20 00	1634	55
		LIABILITIES.			
<i>Ledger</i>	<i>Taylor & Co.</i>	90.00			
	<i>Mercer Stone</i>	5.50		95	50
	<i>Present worth</i>			1539	05
	<i>Resources invested</i>		1546 15		
	<i>Liabilities</i>		110 00		
	<i>Net investment</i>			1436	15
	<i>" gain</i>			102	90

BUSINESS SUGGESTIONS.

1. Adopt a uniform signature for your name. Always sign it in a readable hand. An illegible hand is easier forged than one boldly and plainly written. Practice signing your name until you can sign it with ease and despatch.
2. Never sign a deed or any business paper until you know its contents in full.
3. Do not sign as **surety** without very great caution,—never without due deliberation, and your financial ability will allow it.
4. Live within your income and on what you **have**, not on what you **expect**.
5. Never indulge in any **game of chance** such as the **raffle**, **lotto**, **lottery betting**, **dealing in "Futures,"** etc. It is safe to estimate the chances as 75 % against your getting your money back. Can you afford to run this risk?
6. "Beware of swindlers' advertisements so common in our newspapers," which often require "pre-payment in money or stamps, as it is generally a way of extorting money from the unwary."
7. Always take a receipt or receipted bill for money which you pay on account.
8. Always keep on file receipts or receipted bills for at least six years. Better keep all papers, letters, etc., "relating to money affairs, as they may be necessary for reference."

DRILL EXERCISE, No. 36.**EDWIN BROWN'S ACCOUNT.**

Transfer to the proper books. Show in ledger form Brown's assets and liabilities, his cash on hand July 6, and how his accts. with Rice, Allen, and Salmon stand at the close of the week. By paying cash on delivery Brown is allowed by Rice a trade discount of 10 and 5 %; define trade discount. Show the difference between the discount of 10 and 5 % and 15 %.* Make and receipt a bill for Frank Rice, giving items of charges and credits with Brown, and the discount on the 6 bbls. of flour.

July 1, 1895. Edwin Brown began business with: Merchandise in store, \$800; cash on hand, \$125; Frank Rice owed him, on acct., \$23.75; he owed Charles Allen, on acct., \$112.09.

Sold Charles Allen, on acct.: 1 bbl. flour, \$8.50, 2 lbs. coffee @ .37, 2 lbs. tea @ .75, 15 lbs. sugar @ 7¢. Paid for stationery, \$3.45. Cash sales, \$23.50. (2) Sold Frank Rice, on acct.: 22 lbs. butter @ .37½. Cash sales, \$23.75. (3) Sold Arthur Salmon, on acct.: 2 bbls. flour @ \$8.50, 3 lbs. tea @ .75, 1 box raisins, \$2.70. Cash sales, \$34.80. (5) Bought of Frank Rice: 6 bbls. flour @ \$7.75; settled acct. with him by payment of cash, being allowed a discount of 10 and 5 %. Cash† paid for personal expenses, \$15. Cash sales, \$30.87. (6) Sold Arthur Salmon: 19 lbs. butter @ .35; received cash in full payment of acct. Paid cash to Charles Allen, on acct., \$50. Cash sales, \$35.50. Cash balance, \$225.81. Charles Allen owes on acct., \$50.30.

DRILL EXERCISE, No. 37.**BOOKSELLER'S ACCOUNT.**

We suppose you open a bookstore and do business as indicated below. At the close of the week, show the cash on hand, amount due you, bills payable, amount due J. O. White, and your gain or loss. Include the \$9.25 paid for wood and coal as assets.

June 5, 1893. Merchandise in store, \$1725; cash on hand, \$83.45; I owe Smith & Brown \$325; I owe James O. White \$217.

Sold Martin Harlow, on acct., 1 Ganot's Physics, \$3.75. Cash sales, \$43.64. (6) Sold Samuel Palmer, on acct., 1 Warren's Geography, \$1.25; 1 Swinton's Fifth Reader, \$1.10; and 1 Thomas' U. S. History, \$1; sold Martin Harlow, on acct., 1 Wor. Quarto Dict., \$7.50. Cash sales, \$31.43. (7) Paid Smith & Brown on acct., \$100; sold Martin Harlow, on acct., Macaulay's Essays, 6 vols. @ \$1.25 per volume; sold Samuel Palmer, on acct., 1 Oxford Bible, \$5.50; bought of James O. White, on acct., merchandise, as per bill, \$27.00. Cash sales, \$37.16. (8) Sold Samuel Palmer, on acct., Scott's Novels, 12 vols. @ \$1.50 per volume; sold Martin Harlow, on acct., 2 reams note paper @ \$2.25 per ream; gave Smith & Brown my note for \$225, payable two months from date. Cash sales, \$41.37. (9) Sold Martin Harlow, on acct., 1 Fairy Land of Science, \$1.50; and 1 Art of Projecting, \$1; bought of Martin Harlow, on acct., 1 ton of coal, \$5; and ½ cord of wood, \$4.25; Samuel Palmer, paid on acct., \$15. Cash sales, \$28.75. (10) Bought of James O. White, on acct., merchandise, \$87.50; and paid him on acct., cash, \$150; sold Martin Harlow 1 French grammar, \$1.75. Cash sales, \$36.25.

* Dealers often allow a trade discount from the list prices of their wares. If 10 and 5 %, it would be a discount of .10 from \$1 and 5 % from the 90 cents left, leaving a net cash sale of 85½ cents on the dollar.

† Cash paid for personal expenses should not be charged to the business, but to Brown's private acct. It should have nothing to do with the profit or loss in the business. It can be entered on the *Dr.* side of his ledger acct.

At close of the week, merchandise in store, \$1645; June 12/93, cash on hand, \$67.05; due James O. White, \$181.50. Gain, \$78.45. Present worth, June 10/95, \$1344.90.

Write a receipt such as Smith & Brown should give you for the \$100 paid on acct.

Write for yourself a time note on two months in favor of Smith & Brown with interest. If Smith & Brown deposit this note in the bank at 6 % discount, how much cash will they receive ?

DRILL EXERCISE, No. 38.

SHOE MANUFACTURER AND DEALER'S ACCOUNT.

We will suppose you are a manufacturer and seller of boots and shoes. Enter and post the items given below, and show the result of the week's business.

June 3, 1895. Stock in store, \$1850; cash on hand, \$565.35; James G. Grant owes, on acct., \$118.50; I owe Mills & Harris, on acct., \$215.50. Cash sales, \$85.30.

(4) Bought of Mills & Harris, 52 lbs. sole leather @ .28; sold James G. Grant, 1 pr. calf boots, \$9. Cash sales, \$71.40. (5) Sold Mills & Harris, 2 prs. congress boots @ \$7.50; paid them, on acct., \$100; sold James G. Grant, 3 prs. children's shoes @ \$2.25. Cash sales, \$103.25. (6) Bought of Mills & Harris, 52 lbs. calf skin @ .62; of James G. Grant, 4 tons coal @ \$6. Cash sales, \$94.30. (7) Bought of Mills & Harris, 40 lbs. kip leather @ .21; James G. Grant paid me, on acct., cash \$75. Cash sales, \$64.75. (8) Sold James G. Grant, 1 pr. slippers, \$1.75; settled with Mills & Harris, paying them cash, \$148.17, and was allowed a discount of \$7.53; paid workmen, cash \$72; paid rent of store for the month ending May 30/95, \$25. Cash sales, \$82.40. At close of week, stock in store, \$1586.96. Net resources at the close, including \$9.25 coal on hand, \$2444.54. Net gain, \$126.19. Cash on hand, \$796.58.

Write a receipt in full for the money paid Mills & Harris, June 8, showing the discount and the manner of settlement.

Write a receipt for the rent of the store in favor of James G. Grant for the month of May.

How do such dealers find out the amount of stock in trade? How is an inventory or an account of stock usually taken? At what prices? How often is this done by most dealers?

DRILL EXERCISE, No. 39.

THE USE OF I IN JOINT OR JOINT AND SEVERAL NOTES.

We will suppose that Ira Shaw and Joseph Dunn bought Calvin Jackson's stock of goods in a village store for \$1250, and commenced business under the name of Ira Shaw & Co., July 8/95. They each paid cash \$425, and gave two joint notes for \$150, each payable, one in 6 months and one in 12 months, both interest bearing. These notes were written in the form of No. 4, note, page 22, excepting the word I,* instead of we, promise to pay was used. John Stewart owed Jackson a demand non-interest-bearing note for \$37.50, which he transferred to Ira Shaw & Co., and Charles Brown & Co. had an acct. against Jackson for \$125.38, which Ira Shaw & Co. agreed to pay. Post the following acct. and show the result of the week's work, as in example in Drill Exercise, No. 35.

July 8. Sold Thomas Jenks 28 lbs. sugar @ $5\frac{1}{4}$ ¢, and 2 gals. molasses @ .55. Paid cash for stationery, \$3.24. Cash sales, \$35.72. (9) Sold William Blake 1 bbl. flour, \$7.50, and 2 bu. meal @ .85; sold John Stewart 2 lbs. tea @ .65, and 1 bu. potatoes, .80. Cash sales, \$28.62. (10) Sold Thomas Jenks 1 bbl. flour, \$7.50, 2 bu. meal @ .85, 2 lbs. tea @ .65, and 1 box salt, .38. Cash

* Joint and joint and several notes are now often written with the word I instead of we, in which case each signer is held liable for the full amount of the note.

sales, \$41.25. (11) Bought of Charles Brown 10 bbls. flour @ \$6.50; 5 chests tea, 35 lbs. each, @ .50 a lb.; and paid him on acct. \$200. Paid for cartage, \$2.75. Cash sales, \$39.17. (12) Sold William Blake 2 lbs. tea @ .65, 10 lbs. sugar @ 5½¢, and 5 lbs. raisins @ .12. John Stewart paid his note. Cash sales, \$43.29. (13) Bought of Thomas Jenks 2 bbls. apples @ \$2.75; paid cash for express, .50; sold William Blake 1 bbl. flour, \$7.50, and received from him, on acct., \$15. Paid cash for clerk hire, \$8. Cash sales, \$49.68.

Write the non-interest-bearing note for Stewart, and transfer to Ira Shaw & Co.

Write the joint notes for \$150 each, using the word **I** instead of **we**, and have both Shaw and Dunn sign as individuals.

BILL OF LADING.

BOSTON & MAINE R.R. — EASTERN DIVISION — JAN. 16, 1896.

<p>MARKS AND NUMBERS.</p> <p><i>Charges paid, \$22.80.</i></p> <p><i>Grand Trunk Car No. 13,360.</i></p> <p><i>Weight, 12,000 lbs.</i></p> <p><i>Charges paid, \$22.80.</i></p>	<p><i>Received from J. W. Shaw,</i></p> <p>The property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned and destined as indicated below, which said Company agrees to carry to the said destination, if on its road, otherwise to deliver to another carrier on the route to said destination.</p> <p>It is mutually agreed, in consideration of the rate of freight to be paid for this service, as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property, that every service to be performed hereunder shall be subject to all the conditions, whether printed or written, shown or endorsed hereon, and which are hereby agreed to by the shipper and by him accepted for himself and his assigns as just and reasonable.</p> <p><i>One Car of Household Goods—Released.</i></p>
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Consigned to Judson W. Shaw, at Falmouth, Me.

1. No carrier or party in possession of all or any of the property herein described, shall be liable for any loss thereof or damage thereto, by causes beyond its control; or by floods or by fire from any cause whatsoever occurring; or by riots, strikes or stoppage of labor; or by leakage, breakage, chafing, loss in weight, changes in weather, heat, frost, wet or decay, or from any cause if it be necessary or is usual to carry such property upon open cars.

2. No carrier is bound to carry said property by any particular train or vessel, or in time for any particular market, or otherwise than with as reasonable despatch as its general business will permit. Every carrier shall have the right, in case of necessity, to forward said property by any railroad or route between the point of shipment, and the point to which the rate is given.

3. No carrier shall be liable for loss or damage not occurring on its own road or its portion of the through route, nor after said property is ready for delivery to the next carrier or to consignee. The amount of any loss or damage for which any carrier becomes liable shall be computed at the value of the property at the place and time of shipment under this bill of lading, unless a lower value has been agreed upon or is determined by the classification upon which the rate is based, in either of which events such lower value shall be the maximum price to govern such computation. Claims for loss or damage must be made in writing to the agent at point of delivery, promptly after arrival of the property, and if delayed for more than thirty days after the delivery of the property, or after due time for the delivery thereof, no carrier hereunder shall be liable in any event.

4. All property shall be subject to necessary cooperage and baling at owner's cost. Each carrier over whose route Cotton is to be carried hereunder, shall have the privilege, at its own cost, of compressing the same for greater convenience in handling and forwarding, and shall not be held responsible for unavoidable delays in procuring such compression. Grain in bulk consigned to a point where there is an elevator may (unless otherwise expressly noted herein, and then if it is not promptly unloaded) be there delivered, and placed with other grain of same kind, without respect to ownership, and if so delivered shall be subject to a lien for elevator charges in addition to all other charges hereunder. No carrier shall be liable for differences in weights or for shrinkage of any grain or seed carried in bulk.

5. Property not removed by the person or party entitled to receive it within twenty-four hours after its arrival at destination, may be kept in the car, depot or place of delivery of the carrier, at the sole risk of the owner of said property, or may be, at the option of the carrier, removed and otherwise stored at the owner's risk and cost and there held subject to lien for all freight and other charges. The delivering carrier may make a reasonable charge per day for the detention of any car and for the use of track after the car has been held forty-eight hours for unloading, and may add such charge to all other charges hereunder, and hold said prop-

erty subject to a lien therefor. Property destined to or taken from a station at which there is no regularly appointed agent, shall be entirely at risk of owner when unloaded from cars, or until loaded into cars, and when received from or delivered on private or other sidings, shall be at owner's risk until the cars are attached to, and after they are detached from, trains.

6. No carrier hereunder will carry, or be liable in any way for, any documents, specie or for any article of extraordinary value not specifically rated in the published classifications, unless a special agreement to do so, and a stipulated value of the articles, are endorsed hereon.

7. Every party, whether principal or agent, shipping inflammable, explosive, or dangerous goods, without previous full written disclosure to the carrier of their nature, will be liable for all loss or damage caused thereby, and such goods may be warehoused at owner's risk and expense or destroyed without compensation.

8. Any alteration, addition, or erasure in this bill of lading which shall be made without the special notation hereon of the agent of the carrier issuing this bill of lading, shall be void.

9. If the word "order" is written hereon immediately before or after the name of the party to whose order the property is consigned, without any condition or limitation other than the name of a party to be notified of the arrival of the property, the surrender of this bill of lading properly endorsed shall be required before the delivery of the property at destination. If any other than the aforesaid form of consignment is used herein, the said property may, at the option of the carrier, be delivered without requiring the production or surrender of this bill of lading.

10. Owner or consignee shall pay freight and all other charges accruing on said property, before delivery, and according to weights as ascertained by any carrier hereunder; and if upon inspection it is ascertained that the articles shipped are not those described in this bill of lading, the freight charges must be paid upon the articles actually shipped, and at the rate and under the rules provided for by published classifications.

11. If all or any part of said property is carried by water over any part of said route, such water carriage shall be performed subject to the conditions, whether printed or written, contained in this bill of lading, including the condition that no carrier or party shall be liable for any loss or damage resulting from the perils of the lakes, sea, or other waters; or from explosion, bursting of boilers, breakage of shafts, or any latent defect in hull, machinery, or appurtenances; or from collision, stranding, or other accidents of navigation; or from the prolongation of the voyage. And any vessel carrying any or all of the property herein described shall have liberty to call at intermediate ports; to tow and be towed, and to assist vessels in distress, and to deviate for the purpose of saving life or property. And any carrier by water liable on account of loss or of damage to any of said property, shall have the full benefit of any insurance that may have been effected upon or on account of said property.

For Boston & Maine Railroad,

H. F. Dailey,

Freight Agent.

DRILL EXERCISE, No. 40.**WOOD AND COAL DEALER'S ACCOUNT.**

The following shows in part the week's account, as appears in Henry Murphy's books for the week ending July 13, 1895. Transfer to the proper books.

July 8, 1895. Cash on hand, \$225.50.

Sold Frank F. Coburn, on $\frac{1}{2}$, 9 tons of furnace coal @ \$5.25; 5 tons of stove coal @ \$6.25; paid cash for advertising, \$10.00. Cash sales, \$35.50.

July 9. Sold Calvin W. Burbank, on $\frac{1}{2}$, 12 tons of furnace coal @ \$5.25; 8 tons of stove coal @ \$6.25; paid cash for personal expenses, \$25.00. Cash sales, \$44.75.

July 10. Sold Samuel Bement, on $\frac{1}{2}$, 7 tons of stove coal @ \$6.25; 2 cords of wood @ \$8.50; paid cash for rent of premises, \$75.00. Cash sales, \$32.25.

July 11. Bought of Frank F. Coburn, on $\frac{1}{2}$, 3 tons of hay @ \$22.50; 10 bu. of grain @ .85; sold Calvin W. Burbank, on $\frac{1}{2}$, 3 cords of wood @ \$8.50; received from him cash, on $\frac{1}{2}$, \$100.00. Cash sales, \$37.50.

July 12. Bought of Samuel Bement, on $\frac{1}{2}$, 9 yds. of broadcloth @ \$3.75; received from him cash to balance account. Cash sales, \$39.85.

July 13. Sold Frank F. Coburn, on $\frac{1}{2}$, 2 cords of wood @ \$8.50; bought of him, on $\frac{1}{2}$, 2 bbls. of flour @ \$6.50; received from him cash to balance account. Paid cash to men employed, \$42.50. Cash sales, \$45.15.

Find the amount of sales for the week, the amount of cash on hand; balance the cash account and all the personal accounts.

The sales amount to \$529.75. Cash on hand, \$441.50. Calvin W. Burbank owes you \$38.50.

Calvin W. Burbank offers to give you a check for the balance of his acct. after paying the \$100, which you accept. How much cash will you receive? Show a full statement of all the transactions in a receipted bill. Write the check, signing Burbank's name.

DRILL EXERCISE, No. 41.**FLOUR AND GRAIN DEALER'S ACCOUNT.**

You are supposed to have engaged in business July 1, 1895, with a cash capital of \$1500. The following record gives the items of your week's business.

1. Post the accounts into the ledger; balance and reopen it.
2. Write the cash book; balance and reopen it.
3. Make a statement which shall exhibit your resources, your liabilities, and your net loss or net gain for the week.

July 1, 1895. Bought of Jay W. Scott, 100 bbls. of flour @ \$5.25; 1000 bu. oats @ .35; 1000 bu. corn @ .55. Paid cash on same, \$1000.

July 2. Sold Blaney, Brown & Co., 50 bbls. flour @ \$6.50; 300 bu. oats @ .50. Received on the above a note at 30 days for \$400.

July 3. Sold E. S. Conant & Co., on $\frac{1}{2}\%$, 50 bbls. flour @ \$6.50; 500 bu. corn @ .65; on which they pay cash \$500.

July 4. Bought of Jay W. Scott, on $\frac{1}{2}\%$, 100 bbls. of flour @ \$5.25; 1000 bu. corn @ .55; on which you give a note at 10 days for \$750.

July 5. Sold Howard W. Spurr, on $\frac{1}{2}\%$, 60 bbls. of flour @ \$6.50; 500 bu. oats @ .50; on which he pays cash \$150, and gives a note at 15 days for \$300. E. S. Conant & Co. pay cash, on $\frac{1}{2}\%$, \$150.

July 6. Sold Blaney, Brown & Co., on $\frac{1}{2}\%$, 700 bu. corn @ .65, on which they pay cash \$350. Paid Jay W. Scott cash, on $\frac{1}{2}\%$, \$500.

Inventory of mdse. on hand at the close of the week, July 6, 1895: 40 bbls. flour @ \$5.25; 200 bu. oats @ .35; 800 bu. corn @ .55: \$720.

Your statement should show cash on hand, \$1150; that Blaney, Brown & Co. owe you, on $\frac{1}{2}\%$, \$180; Howard W. Spurr owes you, on $\frac{1}{2}\%$, \$190; you hold a note against Blaney, Brown & Co. for \$400, and against Howard W. Spurr for \$300. You owe Jay W. Scott, on $\frac{1}{2}\%$, \$250, and they hold a note against you for \$750. Your gain is \$430.

When does Howard W. Spurr's note for \$300 mature? A note matures at the end of the time stated, plus the three days' grace. The note is nominally due at the end of the time mentioned in the note, and legally due at the end of the three days' grace.

DRILL EXERCISE No. 42

HAY AND GRAIN DEALER'S ACCOUNT.

We will suppose that the following is the record of your business transactions for one week:—

June 1, 1896. Merchandise on hand, \$2460; cash, \$875.50.

Bought, for cash, 150 bu. of oats @ .40; 125 bu. of corn @ .45; sold Rufus A. Green, on $\frac{1}{2}\%$, $\frac{3}{4}$ of a ton of bran @ \$22. Cash sales, \$24.65.

June 2. Sold John J. Carter, on $\frac{1}{2}\%$, 3 tons of hay @ \$18; 6 bu. of corn @ .55. Cash sales, \$39.74.

June 3. Bought of Geo. W. Brownell, on $\frac{1}{2}\%$, 17 tons of hay @ \$16; sold him, on $\frac{1}{2}\%$, 3 tons of bran @ \$22; 12 bu. of oats @ .45. Cash sales, \$47.52.

June 4. Sold Rufus A. Green, on $\frac{1}{2}\%$, 6 tons of hay at \$18; 10 bu. of oats @ .45; 5 bu. of corn @ .55; received from him, cash on account, \$75. Cash sales, \$68.37.

June 5. Sold John J. Carter, on $\frac{1}{2}\%$, 2 tons of bran @ \$22; 6 bu. of oats @ .45; received, in settlement of his account, his note, payable in 60 days, non-interest bearing. Cash sales, \$93.74.

June 6. Sold Geo. W. Brownell, on $\frac{1}{2}\%$, 12 bu. of corn @ .55; paid him, cash on account, \$150; sold Rufus A. Green, on $\frac{1}{2}\%$, $1\frac{1}{2}$ tons of bran @ \$22; received from him, cash on account, \$50. Cash sales, \$126.49.

6. Value of merchandise on hand at the close of the week, \$2003.76.

(1) Make, in the day book, cash book, and the ledger, the proper entries of the foregoing transactions; (2) balance the cash book; (3) make out a statement showing net gain or loss; (4) render a bill which will include all the items in Rufus A. Green's account, and acknowledge payment in full to date; (5) write the note received on June 5.

Your statement should show as follows:—

1896

June 6	Merch. on hand	2003	76		
	Cash on hand	1134	76		
	Rufus A. Green owes on $\frac{1}{2}\%$	39	75		
	Note against John J. Carter	104	00		
	Total resources			3282	27
	You owe Geo. W. Brownell			44	00
	Present worth at close of week			3238	27
	Net capital June 1	3335	50		
	Present worth	3238	27		
	Net loss	97	23		

DRILL EXERCISE, No. 43.

WHOLESALE TEA STORE.

We will suppose that you began business March 23, 1896, with \$2200 in merchandise and \$1875.50 in cash. You had loaned from cash \$800 to Charles Cabot, which he was to pay March 24, 1896. You owed Daniel French, on $\frac{1}{2}\%$, \$377.25; and John Wise held your note for \$416.75, payable March 25, 1896.

The following are supposed to have been your business transactions for the week:—

(1) Make the proper entries in the cash book, and close it; (2) post the accounts into the ledger and balance them; (3) make a statement showing your gain or loss for the week, and (4) write the note that you gave Wm. Gray, and have it witnessed. See note at close of this Exercise.

March 23, 1896. Bought of Wm. Gray, on $\frac{1}{2}\%$, 80 cwt. of coffee @ \$19; sold Frank King, for cash, 12 cwt. of coffee @ \$21.25. Cash sales, \$126.67.

March 24. Sold James Mann, on $\frac{1}{2}\%$, 18 cwt. of coffee @ \$21.25; paid Daniel French \$377.25. Cash sales, \$157.38.

March 25. Bought of Daniel French, on $\frac{1}{2}\%$, 14 cwt. of tea @ \$73.75; received from Charles Cabot \$800. Paid \$175 for personal expenses.* Cash sales, \$142.50.

March 26. Sold James Mann, on $\frac{1}{2}\%$, 9 cwt. of tea @ \$77.50; paid the note held by John Wise for \$416.75. Cash sales, \$136.33.

March 27. Sold Frank King, on $\frac{1}{2}\%$, 15 cwt. of coffee @ \$21.25, and 7 cwt. of tea @ \$77.50; received from James Mann, on $\frac{1}{2}\%$, \$500; paid Daniel French \$500. Cash sales, \$162.97.

March 28. Sold James Mann, on $\frac{1}{2}\%$, 9 cwt. of coffee @ \$21.25. Received from Frank King, on $\frac{1}{2}\%$, \$600. Gave Wm. Gray a 60 days' note for \$1000; paid him the balance of his account in cash. Cash sales, \$174.15.

Merchandise on hand at the close of the week, valued at \$1875.50. Cash on hand, \$

* Should the \$175 for personal expenses be included in the business entries or in a personal account? (See p. 64.)

1896		Dr.		Cr.	
March 28	Mdse. on hand.				
	Cash " "				
	James Mann owes on $\frac{1}{2}\%$				
	Frank King " " "				
	Total resources				
	You owe Wm. Gray on note				
	" " Daniel French on $\frac{1}{2}\%$				
	Total liabilities				
	Present worth				
	Net capital March 23				
	Present worth				
	Net gain			235	45

NOTE. — Explain how long a **witnessed** note, without having any payment on it, holds good in your state. In Maine, New Hampshire, Massachusetts, and some other states, such a note holds for 20 yrs. — the same as a mortgage note. In New Hampshire it must be under seal.

DRILL EXERCISE, No. 44.

Henry Jones began business in Boston, June 3, 1895, with cash on hand, \$4000. We suppose the following his flour transactions for the week: —

June 3, 1895. Bought of John White 100 bbls. of White Swan flour @ \$5, 50 bbls. of Pillsbury's Best flour @ \$5.25, 25 bbls. of Washburn's Best flour @ \$5.25, on which he paid cash \$500. Sold Chas. Ramsdell 75 bbls. White Swan flour @ \$6, 25 bbls. Washburn's Best flour @ \$6; in part payment Ramsdell paid cash \$450. (4) Bought of James Monroe, on $\frac{1}{2}\%$, 200 bbls. St. Louis flour @ \$3.75, 150 bbls. Bridal Veil flour @ \$4.75; sold Hiram Stetson, for cash, 45 bbls. St. Louis flour @ \$4.75. (5) Sold Solon Royal, on $\frac{1}{2}\%$, 50 bbls. of Pillsbury's Best flour @ \$6, 20 bbls. St. Louis flour @ \$4.75. (6) Bought of John White 200 bbls. St. Louis flour @ \$3.70, 150 bbls. White Swan flour @ \$4.25, and paid cash on the same, \$1000. (7) Bought of Lowell Tower, on $\frac{1}{2}\%$, 45 bbls. Pillsbury's Best flour @ \$4.50 per bbl., 20 bbls. Bridal Veil flour @ \$4.25, and paid cash on same, \$250. (8) Paid Richard A. Ripley, clerk, one week's salary, \$15; rent of store for one week, \$20; gave John White an interest-bearing note on two months for the balance due.

At the end of the week merchandise in flour on hand, 725 bbls., at an average worth of \$4.20 per bbl.

June 8. Make out a statement of resources and liabilities showing net gain or loss. Write the note given to John White. White discounts it at the bank at 6 %; how much cash does he receive?

1895			Dr.		Cr.
	Henry Jones' inventory should show the value of				
	flour on hand				3045 00
	Amount of cash on hand				
	Chas. Ramsdell owes him				150 00
	Solon Royal owes him				395 00
	He owes John White (note)	771	25		
	" " James Monroe	1462	50		
	" " Lowell Tower	37	50		
	His gain is \$197.50				

DRILL EXERCISE, No. 45.

RETAIL GROCERY STORE.

Let us suppose you began business June 3, 1895, with merchandise valued at \$1563.25; cash, \$463.38; and Edward Lovell's note, due June 5, for \$450. You owed Smith and Sawyer, on $\frac{1}{2}\%$, \$658.72; and James Brooks held a note against you, due June 8, for \$500.

The following are supposed to have been your business transactions for the week:—

June 3, 1895. Sold Charles M. Niles, on $\frac{1}{2}\%$, 1 bbl. of flour, \$6.50, 1 bbl. of sugar, 240 lbs. @ $4\frac{1}{2}\%$, and 10 lbs. cut-loaf sugar @ $7\frac{1}{2}\%$; sold Wm. B. Carter, on $\frac{1}{2}\%$, 1 box of soap, 65 lbs. at 6¢, and 10 lbs. of butter at .28. Cash sales, \$173.68.

June 4. Paid Smith and Sawyer, on $\frac{1}{2}\%$, cash, \$500; sold Charles M. Niles, on $\frac{1}{2}\%$, 5 bu. of potatoes at .85, and 10 bu. of oats at .65. Cash sales, \$215.84.

June 5. Sold Wm. B. Carter 1 broom, .35, 1 gal. of molasses, .75, and $3\frac{1}{2}$ lbs. of cheese @ .14; sold Charles M. Niles 4 bu. of corn at .90, and $14\frac{1}{2}$ lbs. of maple sugar at .12; Edward Lovell paid his note with cash, \$450. Cash sales, \$306.42.

June 6. Bought of Smith and Sawyer, on $\frac{1}{2}\%$, 25 bbls. of flour at \$6, 20 bbls. of sugar, 4820 lbs. at $4\frac{1}{2}\%$, and 100 bu. of corn at .85; credited Wm. B. Carter for 3 days' work at \$3.50. Cash sales, \$183.16.

June 7. Bought of Ephraim Fitch a horse and wagon for \$350, giving him your note to be paid in 60 days; bought merchandise for cash, \$763.50. Cash sales, \$256.40.

June 8. Sold Wm. B. Carter 1 bbl. of flour, \$6.50, and 1 bbl. of potatoes, \$3.25; Charles M. Niles paid cash, \$34.74; paid the note held by James Brooks, with cash, \$500; paid the clerk \$12. Cash sales, \$305.30.

At the close of business, June 8, you had on hand merchandise valued at \$1375.90; and one horse and wagon valued at \$375.

1. Make out your cash account.
2. Show the results of your week's business, in profit or loss.
3. Write the note given to Ephraim Fitch, who sells it to Wm. B. Carter so he cannot sell to a third party; make the endorsement. (See p. 21.)
4. Make out Wm. B. Carter's bill.

If the work is properly done, your statement will show the following results:—

Cash balance, \$613.42. Wm. B. Carter owes you \$7.54. You owe Smith and Sawyer, on $\frac{1}{2}\%$, \$610.62. You owe Ephraim Fitch, on note, \$350. Your gain is \$93.33.

DRILL EXERCISE, No. 46.

WHOLESALE FLOUR ACCOUNT.

Jan. 1, 1897. Began business this day at 507 Congress Street, Portland, renting the entire store at \$1500 per year, for the purpose of conducting the wholesale flour business. Invested as follows: Cash, \$3991.17; 400 bbls. Pillsbury's Best @ \$5.50; 300 bbls. St. Louis @ \$4.50.

Jan. 3. Paid freight, per check, \$225. Sold Edwards & Co., city, on $\frac{1}{2}\%$, 125 bbls. Pillsbury's Best @ \$6, 75 bbls. St. Louis @ \$5.25; bought of Rice Bros., 4 cars (400 bbls.) Student's Own @ \$5; sent them my note at 90 days for the amount of invoice. Paid freight on above, per check, \$162.50. Sold S. B. Hall, on his note at 30 days, 50 bbls. St. Louis @ \$5.25, 75 bbls. Pillsbury's Best @ \$6.

Jan. 4. Sold Smith & Co., city, on $\frac{1}{2}\%$, 110 bbls. Student's Own @ \$6.12 $\frac{1}{2}$; received from Edwards & Co., note at 20 days, \$650.

Jan. 5. Received from Grant & Co., by Union Trans. Co., 6 cars (600 bbls.) Emerson's XXXX @ \$5.70; paid freight, per note at 5 days, \$250.

Jan. 6. Paid note, favor of Rice Bros., less discount, per check.

Jan. 8. Sold J. B. Lane, for cash, 200 bbls. Emerson's XXXX @ \$5.45.

Jan. 9. Paid note of Jan. 5 favor of Union Trans. Co., less discount. Sold Small & Vernon, city, on $\frac{1}{2}\%$ 20 days, 50 bbls. St. Louis @ \$5.25.

Jan. 11. Bought of Chas. H. Emery, Augusta, Me., on $\frac{1}{2}\%$ (to be delivered), 500 bbls. Patent @ \$5.37 $\frac{1}{2}$, 300 bbls. Rising Sun @ \$4.87 $\frac{1}{2}$.

Jan. 12. Paid Grant & Co.'s draft of \$1500 drawn by them the 9th inst., at 20 days' sight, less discount.

Jan. 13. Discount Edwards & Co.'s and S. B. Hall's notes, leaving proceeds on deposit.

Jan. 15. Drew on Edwards & Co., at 20 days, for balance of account, and discount same at bank.

Jan. 16. Sold James McVane, city, 100 bbls. Rising Sun @ \$6.33, 250 bbls. Patent @ \$6.75, 100 bbls. Emerson's XXXX @ \$5.45; received note at 20 days, \$1000; cash, \$500; balance on $\frac{1}{2}\%$.

Jan. 18. Accepted Grant & Co.'s draft at 10 days to balance account. Sold Allan & Jones, city, 62 bbls. St. Louis @ \$5.25, 20 bbls. Student's Own @ \$6.12 $\frac{1}{2}$; received cash, \$266; note at 5 days for balance.

Jan. 19. Deposited McVane's note, less discount at 20 days.

Jan. 20. Engaged F. F. Walters as clerk and book-keeper, at a salary of \$800 per annum. Bought a bank draft on Shaw's College Bank, Augusta, Me., for \$2000 at $\frac{1}{2}\%$ premium, and sent it to Chas. H. Emery on $\frac{1}{2}\%$; paid cash for same. Charge only the face of the draft to Emery, credit cash for \$2002.50.

Jan. 22. Sold J. B. Lane 100 bbls. Patent @ \$6.75; received in payment draft at sight on Edwards & Co., city, \$300; note at 30 days for balance. Paid J. F. Libby for trucking to date, \$108.25; sold Edwards & Co., on $\frac{1}{2}\%$, 125 bbls. Rising Sun @ \$6.33.

Jan. 25. Received of James McVane, on $\frac{1}{2}\%$, check, \$400.

Jan. 26. Received cash from Allen & Jones for note due to-day.

Jan. 27. Smith & Co. give us their draft at 10 days from the 25th inst. on Allan & Jones, \$500, on $\frac{1}{2}\%$.

Jan. 29. Paid rent of the store for the month, \$125.

Jan. 30. Paid clerk to date, \$23.65; also draft, favor of Grant & Co., due to-day.

Inventory mdse. at cost, \$5615.38.

Cash on hand	\$1294.63
Bills receivable per bill book	875.00
C. H. Emery, <i>Cr.</i>	2150.00
Edwards & Co., <i>Dr.</i>	791.25
Smith & Co., <i>Dr.</i>	173.75
Small & Vernon, <i>Dr.</i>	262.50
James McVane, <i>Dr.</i>	965.50
Gain	286.84

The above example furnishes the means for extensive practice in review work in the writing and use of business papers, such as notes, bank checks, drafts, etc., with their endorsements and transfers.

Teachers should use judgment in the selection and development of such work as will prove of most service to the class of pupils to whom they give instruction. The age, the proficiency, the intent of the class should be considered; also the time allowed for this branch of study.

Special attention should be given to bank checks, as they are in so common use. By reviewing pp. 25-27 many points of value can be made of service, such as the difference between a check written to the "order of" or to "the bearer," how to endorse a check, who is responsible for its payment if endorsed by several persons providing the maker fails to pay it, the advantage of a "certified check," whether a check made payable to *self* should be endorsed, how to make good a check if lost, and other points which every pupil should understand before leaving school.

In a similar way, the various forms of notes, drafts, and other business papers should be reviewed. It will be found a good example for practice in keeping a record of bills, notes, etc., payable and receivable.

DRILL EXERCISE, No. 47.

PARTNERSHIP.

Two or more persons may combine their property, skill, or labor for common profit, and thus form a partnership. It may be by written or oral agreement, as preferred, with or without seal. (Better and safer in written form.) "But the liability and authority of the partners begin with the *actual* formation of the partnership."

If any one allows his name to be used by the firm in their regular business, or if he shares in its profits, he is liable as a partner.

Each person of a firm is liable for the full amount of the firm's debts to the extent of his own property.

Each partner has power to act as agent for the firm, and to bind it in all matters in pursuance of its regular business, but not in any contracts outside of the firm's legitimate scope.

Partnership may be dissolved by mutual consent of the partners, or by the act of one of the partners in selling or assigning his interest in the firm, or by a decree of a court of equity. The death of a partner dissolves partnership.

In case of dissolution, notice of the same should be mailed to all persons having business with the firm, and published through the local press. This to relieve the retiring partner from further liability.

The following may be supposed to be a record of the transactions of Wm. T. Shaw and Geo. F. Dayton, who have formed a partnership for the purpose of carrying on a coal and wood business, under the firm name of Shaw & Dayton.

Oct. 1, 1891. Wm. T. Shaw, who has previously carried on the business alone, turns it over, as it stands, to the new firm. Mr. Shaw had on hand, coal valued at \$875; wood, \$140; cash, \$325; teams and fixtures, \$930. According to his books, balances were due him as follows: from Geo. B. Wright, \$13.25; from Howard Golden, \$6.75; and from Carleton Graves, \$24. A balance of \$224 was due from him to Morrill & Co., Philadelphia. Geo. F. Dayton invests cash equal in amount to Shaw's net investment, and, by agreement, profits or losses are to be shared equally.

[For the present, we will consider that the transactions are to be recorded in **day book, cash book, and ledger**, and for the most part, the same methods may be used as in the preceding drill exercises. One important change, however, will be necessary. An account must be kept with each partner substantially as if he were an outside party; that is, he must be credited by whatever he turns into the business, and debited to whatever he draws out from the business. So, in the beginning, Wm. T. Shaw must be credited by the coal, wood, cash, teams and fixtures which he puts into the business, and also by the balances due him from the accounts of Wright, Golden, and Graves, which are hereafter to be considered as owed to the firm, instead of to him personally. On the other hand, he owed a balance of \$224 to Morrill & Co., and that debt is to be paid by the firm; he must therefore be debited to that amount. Geo. F. Dayton, the other partner, turns into the firm cash equal in amount to Wm. T. Shaw's net investment. How may the amount of Shaw's net investment be found? Shall Dayton be debited or credited? Why? What entries must be made in the cash book? As the balance of Geo. B. Wright's account with Shaw is to be turned over to the new firm, his name must be entered in the day book. Shall he be debited or credited? Why? What shall be done in the case of Howard Golden? Of Carleton Graves? Of Morrill & Co?

For the most part, in this drill exercise, the pupil must rely upon himself, with only an occasional hint on any new features.

The accounts of the partners are to be posted to the ledger the same as those of others.]

Oct. 1, 1891. Sold Lyman True, for cash, 2 tons coal @ \$6; sold Geo. A. Small, on %, 3 tons coal @ \$6, 3 ft. hard wood @ \$1; bought of James Harlow, for cash, 60 cords hard wood @ \$4.50.

Oct. 2. Sold D. B. Brock & Son, on $\frac{1}{2}\%$, 30 tons egg coal @ \$6; James Parkman, on $\frac{1}{2}\%$, 5 tons coal @ \$6; bought of S. P. Welch, on $\frac{1}{2}\%$, 8 tons hay @ \$14; sold Town of Fairmount, on $\frac{1}{2}\%$, 75 tons coal @ \$5.75. Sent check to Morrill & Co., Philadelphia, for balance due them. [Write the check on First National Bank of Fairmount, and a letter to be sent with the check, to Morrill & Co.]

Oct. 3. Bought, for cash, 1 horse, \$175; sold, for cash, 6 tons coal @ \$6; paid employees (for 3 days' work) \$8.

Oct. 5. Bought, for cash, 6 bu. oats @ .60; sold Henry Mayberry, on $\frac{1}{2}\%$, 4 ft. pine wood @ .80; sold, for cash, 5 tons coal @ \$6; sold Geo. P. Frye, on $\frac{1}{2}\%$, 750 lbs. coal @ \$6 per ton.

Oct. 6. Bought of Morrill & Co., Philadelphia, on $\frac{1}{2}\%$, 2 car-loads (40,480 lbs.) coal at \$4 per ton; * paid freight on the coal, \$27; sold James Parkman, on $\frac{1}{2}\%$, 2 tons egg coal @ \$6; D. B. Brock & Son have paid cash on $\frac{1}{2}\%$, \$50; sold Hiram B. Newman, on $\frac{1}{2}\%$, 2 cords of hard wood (sawed and split) @ \$7.

Oct. 8. Paid cash for repairs on cart, \$1.75; sold, for cash, 12 tons coal @ \$6; sold Maurice T. Thompson, on $\frac{1}{2}\%$, 4 tons coal @ \$6; bought of Morrill & Co., on $\frac{1}{2}\%$, 3 car-loads (67,648 lbs.) of coal @ \$4 per ton; paid freight on the coal, \$37.50.

Oct. 10. Sold Geo. B. Wright, on $\frac{1}{2}\%$, 1 ton coal, \$6; sold S. P. Welch, on $\frac{1}{2}\%$, 3 ft. pine wood @ .75; sold, for cash, 11 tons coal @ \$6; paid employees for the week, \$16.

Oct. 12. Sold, for cash, 6 tons coal @ \$6; sold Howard Golden, on $\frac{1}{2}\%$, 575 lbs. coal @ \$6 per ton; bought of J. W. Lyman, 38,360 lbs. coal @ \$4 per ton, less 5 % discount for cash.

[The 38,360 lbs. of coal ($17\frac{1}{2}$ long tons) would cost, @ \$4 a ton, \$68.50. The discount at 5 % is \$3.43, leaving \$65.07 as the amount actually paid. The transaction may be entered in the cash book, "By 38,360 lbs. coal @ \$4 per ton, less 5 %, \$65.07."]

Oct. 15. Sold Jotham Towle, on $\frac{1}{2}\%$, 2 tons coal @ \$6; paid for repairs to scales, \$1.25; sold, for cash, 5 tons coal @ \$6, 12 ft. hard wood @ \$1, 6 ft. soft wood @ .75; paid freight on coal, \$21.25; Carleton Graves paid cash on $\frac{1}{2}\%$, \$15; sold Moses B. Thayer, on $\frac{1}{2}\%$, 4 ft. hard wood @ \$1; sold Henry Mayberry, on $\frac{1}{2}\%$, $\frac{1}{2}$ ton coal @ \$6.

Oct. 17. Sold, for cash, 22 tons coal @ \$6; sold Charles Lord, on $\frac{1}{2}\%$, 2 tons coal @ \$6; bought of J. W. Lyman, 4 car-loads (82,320 lbs.) coal @ \$4 per ton, less 5 % discount for cash; sold Maurice T. Thompson, on $\frac{1}{2}\%$, 3 ft. hard wood @ \$1; paid employees for the week, \$16; Wm. T. Shaw has drawn, for his own use, \$20, and Geo. F. Dayton has drawn \$30. Charge to private account, not to the business. Cr. to cash.

Oct. 20. Sold Hiram B. Newman, on $\frac{1}{2}\%$, $1\frac{1}{2}$ tons coal @ \$6; Geo. A. Small has paid cash, on $\frac{1}{2}\%$, \$10. D. B. Brock & Son have given their negotiable note for the balance due on their account. The note is dated Oct. 20, and is on 30 days' time, without interest. [As the firm has accepted this note in settlement of the account, D. B. Brock & Son must be credited, as they would have been if they had paid cash, or had furnished the firm merchandise to that amount. The form in the day book will be, "D. B. Brock & Son, Cr. by note, at 30 days, \$130"; and when the transaction is posted, it will balance their account in the ledger. When a business involves the giving or receiving of many promissory notes, it is customary to keep a separate record of such notes in what is called a "**Bill Book**." For form, see p. 104. Explain the terms, Maker and Payee. Why, under the heading "When due," is the date written "Nov. 19-22" ?

The Fairmount National Bank has discounted @ 6 % the note given by D. B. Brock & Sons.

* Coal-dealers buy coal by the *long* ton of 2240 lbs., and sell by the ordinary ton, of 2000 lbs.

[If the firm had kept the note until due, they would have received the \$130 from D. B. Brock & Son, and the transaction would have been entered in the cash book, "Dr. to note of D. B. Brock & Son, \$130." But they preferred, instead of waiting for the full amount, to get the note discounted at once. What was the bank discount on the \$130 for 33 days? What was the amount received from the bank? That amount must be entered on the Dr. side of Cash, "To note of D. B. Brock & Son."]

Sold for cash, 10 ft. hard wood @ \$1, and 3 tons coal @ \$6; Maurice T. Thompson has paid cash, on $\frac{1}{2}\%$, \$15.

Oct. 22. Sold, for cash, 15 tons coal @ \$6; bought of Adams & Co., 42 car-loads (846,720 lbs.) of coal @ \$4.10 per ton, less 8% discount for cash; paid freight on the coal, \$472.50.

Oct. 23. Sold Howard Golden, on $\frac{1}{2}\%$, $1\frac{1}{2}$ tons of coal @ \$6; gave S. P. Welch a negotiable note at 30 days, without interest, for balance due him.

[Mr. Welch must be debited to the amount of this note, as he would have been if we had paid him cash or mdse. The entry in the day book will be "To note at 30 days, \$109.75." The record of the note should be entered in the bill book, under the head of bills payable. Why?]

Sold, for cash, 7 ft. of hard wood @ \$1, 6 ft. soft wood @ .75; sold Geo. Hoffman, on $\frac{1}{2}\%$, 3 tons of coal @ \$6; paid cash for shoeing horses, \$3; sold Geo. P. Frye, on $\frac{1}{2}\%$, 1 ton coal, \$6.

Oct. 24. Sold Henry Mayberry, on $\frac{1}{2}\%$, 3 ft. hard wood @ \$1; sold H. P. Lincoln, on $\frac{1}{2}\%$, 10 tons of coal @ \$6: paid employees for the week, \$16.

Oct. 28. Sold James M. Stanley 25 tons of coal @ \$6, for which he gave a negotiable note, at 60 days, without interest; * sold Moses B. Thayer, on $\frac{1}{2}\%$, 3 tons coal @ \$6; sold, for cash, 14 tons of coal @ \$6, 18 ft. hard wood @ \$1; Geo. B. Wright has paid cash, on $\frac{1}{2}\%$, \$13.25; sent Morrill & Co., on $\frac{1}{2}\%$, check on First National Bank of Fairmount for the coal received from them Oct. 6.

Oct. 31. Sold Jotham Towle, on $\frac{1}{2}\%$, 3 tons of coal @ \$6; sold, for cash, 5 tons coal @ \$6; sold Carleton Graves, on $\frac{1}{2}\%$, 2 ft. soft wood @ .75; sold D. B. Brock & Son, on $\frac{1}{2}\%$, 2 cords hard wood @ \$7; paid employees for the week, \$16.

In order to find the standing of the firm at the end of the month, the ledger accounts may be closed with red ink balances, and a statement of assets and liabilities drawn up, similar to those used in preceding exercises. For reasons that will be plain when the work is finished, the partners' accounts need not be considered until the last. The "Statement" is given in full, in another place, but the pupil should do the work without referring to this, at present. Close the ledger accounts (except the partners') with red ink balances, and place those balances in the "Statement," under assets or liabilities, as the case may be. Close the cash book, and place the balance in the statement. As "Mdse. on hand," we will suppose that we have 396 tons of coal (long weight), valued at \$5.25 per ton, this being about its cost with the freight paid; 61 cords of hard wood, valued at \$5.50 per cord; and 14 cords of soft wood at \$4.50 per cord. Among our assets must be entered the value of the teams, implements, etc., of the business, valued at \$1175. Put these notes in the statement, under the head of bills receivable.

Net capital of the firm at the close of the month is \$4576.48. In order to find the net gain

* In this case, no entry should be made in the day book or ledger, as the note is a record of Stanley's indebtedness, which should be entered in the bill book.

In one sense, Stanley has paid for the coal, as his note, presumably, could be sold for cash by the firm, as it is negotiable. Why?

or loss, we must know what was the net investment. Turning to Wm. T. Shaw's account in the ledger, we find, on the Cr. side, "By investment, \$2314"; and on the Dr. side, "To liabilities assumed, \$224," and "To cash, \$20." The difference between the Dr. and Cr. sides (\$2070) must show the net capital which he invested. In the same way, we find, from Geo. F. Dayton's account, that he invested \$2060 net capital. The total net capital invested, then, was \$4130. It is easy to see that the firm has made a gain of the difference between \$4130 and \$4576.48, or \$446.48. By agreement, this gain is divided exactly between the two partners. Adding \$223.24 to each partner's net investment, will give his net capital at the end of the month. Referring, now, to the "Statement" on page 103, you will find these facts expressed in a concise way. One thing more remains to be done: each partner's account in the ledger must be made to show his net capital at the end of the month. So we credit Wm. T. Shaw and Geo. F. Dayton, in the day book, each with his share of the net gain, thus:

Wm. T. Shaw,	Cr.	
By one-half net gain for the month		\$223.24
Geo. F. Dayton,	Cr.	
By one-half net gain for the month		\$223.24

These entries are then posted, and afterward the partners' accounts are closed with red ink balances. These balances, as will readily be seen, represent the net capital, or present worth, of the partners.

The ledger accounts may now be reopened, when we shall be ready to proceed with new entries.

LEDGER.

Dr.		WILLIAM T. SHAW.					Cr.		
1891		D. B. Page			1891		D. B. Page		
Oct. 1	To liabilities assumed	1	224	00	Oct. 1	By investment	1	2314	00
17	To cash	3	20	00	31	" net gain	5	223	24
Oct. 31	To balance		2293	24					
			2537	24				2537	24
Nov. 12	To cash	7	25	00	Nov. 2	By balance		2293	24
23	" "	9	15	00	30	" net gain	10	179	71
Nov. 30	To balance		2432	95					
			2472	95				2472	95

GEORGE F. DAYTON.

Oct. 17	To cash	3	30 00	Oct. 1	By cash invested	1	2090 00
Oct. 31	To balance		2283 24	31	" net gain	5	223 24
			2313 24				2313 24
Nov. 16	To cash	8	20 00	Nov. 2	By balance		2283 24
Nov. 30	To balance		2442 95	30	" net gain	10	179 71
			2462 95				2462 95

GEORGE B. WRIGHT.

Oct. 1	To balance due W. T. Shaw	1	13 25	Oct. 28	By cash	4	13 25
10	" mdse.	2	6 00	Oct. 31	By balance		6 00
			19 25				19 25
Nov. 2	To balance		6 00	Nov. 20	By cash	8	20 00
12	" mdse. per S. B.	6	30 00	Oct. 30	By balance		16 00
			36 00				36 00

MORRILL & Co.

Oct. 2	To cash	1	224 00	Oct. 1	By bal. due from W. T. Shaw	1	224 00
28	" "	4	72 29	6	By mdse.	2	72 29
Oct. 31	To balance		120 80	8	" "	2	120 80
			417 09				417 09
Nov. 30	To balance		203 55	Nov. 2	By balance		120 80
			203 55	9	" mdse. per I. B.	1	82 75
							203 55

STATEMENT.

OCTOBER 31, 1891.

<i>Assets.</i>		<i>Liabilities.</i>	
<i>Geo. B. Wright's account</i>	\$ 6 00	<i>Morrill & Co.'s account</i>	\$120 80
<i>Howard Golden's "</i>	17 48	<i>Bills payable</i>	109 75
<i>Carleton Graves' "</i>	10 50		
<i>Geo. A. Small's "</i>	11 00		
<i>D. B. Brock & Son's "</i>	14 00		
<i>James Parkman's "</i>	42 00		
<i>Town of Fairmount's "</i>	431 25		
<i>Henry Mayberry's "</i>	9 20		
<i>Geo. P. Frye's "</i>	8 25		
<i>Hiram B. Newman's "</i>	23 00		
<i>Maurice T. Thompson's "</i>	12 00		
<i>Jotham Towle's "</i>	30 00		
<i>Moses B. Thayer's "</i>	22 00		
<i>Chas. Lord's "</i>	12 00		
<i>Geo. Hoffman's "</i>	18 00		
<i>H. P. Lincoln's "</i>	60 00		
<i>Cash</i>	277 85		
<i>Bills receivable</i>	150 00		
<i>Mdse. on hand</i>	2477 50		
<i>Teams, fixtures, etc.</i>	1175 00	<i>Net capital of firm</i>	4576 48
	<u>\$4807 03</u>		<u>\$4807 03</u>

<i>Net capital of firm, Oct. 31</i>	<i>\$4576.48</i>
<i>W. T. Shaw's net capital (exclusive of gain)</i>	<i>\$2070.00</i>
<i>G. F. Dayton's " " " " "</i>	<i>2060.00 4130.00</i>
<i>Net gain of firm for the month</i>	<i>\$ 446.48</i>
<i>W. T. Shaw's half of net gain</i>	<i>\$223.24</i>
<i>G. F. Dayton's " " " " "</i>	<i>223.24</i>
<i>W. T. Shaw's net capital at end of the month</i>	<i>\$2293.24</i>
<i>G. F. Dayton's " " " " " " "</i>	<i>2283.24</i>
	<u><i>\$4576.48</i></u>

BILL BOOK.

Date.	Maker.	Payee.	Time.		Amount receivable.	
1891			Days	Non-		
Oct. 20	D. B. Brock & Son	Shaw & Dayton	30	inter.	130	00
Oct. 28	James M. Stanley	" " "	60	"	150	00
Nov. 2	Chas. A. Tyler	" " "	60	"	240	00
Oct. 23	D. B.	Shaw & Dayton	30		Payable. 109	75

Above will be found a convenient form of a bill book in which a record of Notes, Drafts, and Bills receivable or payable can be kept. A glance at this record, if properly kept, will show the full history of each paper,—when issued or received, when due or paid, how disposed of, cash received or paid, with the discount allowed or paid.

The pupils should be required to fill out the unfilled parts of the record. Enough is given to show how to keep it. Nov. 19–22, under "When due," shows that D. B. Brock & Son's note was nominally due the 19th inst., and legally due at the close of the three days' grace—the 22d. They should place the discount made in the discount column, and the cash actually received or paid in the column at the right and adjoining.

The bill book furnishes the teacher a good chance to review commercial law and business usages.

That, If a note or draft becomes due on a legal holiday or on Sunday, it is payable the day before.

That **Interest** can be collected on a non-interest-bearing demand note after demand of payment has been made, and on a time non-interest-bearing note after maturity.

That in Maine, New Hampshire, Massachusetts, and some other states a witnessed note holds good for 20 years, the same as a mortgage note, i.e. legal action can be brought within the 20 years. In New Hampshire it should be under seal.

BILL BOOK.

When due.	Date.	When and how disposed of.	Discount.	Cash received.
Nov. 19-22		Nov. 20/91, discounted at Fairmount Nat'l Bank @ 6 %. Nov. 12/91, discounted at First Nat'l Bank, Fairmount, @ 6 %.		
				Cash paid.

That payment of any part of interest or principal renews the note from the date of such payment. The party making the payment should make the endorsement in his own handwriting when he can. If sent from a distance, the letter accompanying the payment will be evidence it was made.

That a note is **Void** to the original payee when it is proved that there was no value received, or when the note was based on a fraudulent or illegal transaction.

That notes are written in various forms, each of which is all right, if it is so expressed that it legally binds the parties. A few of the more common forms are given on pp. 20-23.

It is also a convenient aid in making a practical application of bank discount, the endorsement of notes, acceptance of drafts, etc.

DRILL EXERCISE, No. 48.

In continuing the business we will suppose that the firm has decided to make use of two additional books which are often of great convenience in keeping accounts. These are the **Invoice Book** and the **Sales Book**.

In the **Invoice Book** are recorded an inventory of the mdse. on hand at the beginning of the month, and all purchases of mdse.

In the **Sales Book** are recorded all sales, with full particulars in regard to them.

The opening portions of the invoice book and sales book for November are given on p. 108. By referring to these you will readily understand their use.

Nov. 2. Sold Peter Washburn, on $\frac{1}{2}\%$, 4 tons of coal @ \$6; 6 feet hard wood @ \$1; 3 feet soft wood @ .75.

[This transaction we enter in the sales book. The pupil would naturally enter it also in the day book, as we have done with similar transactions before. But although that is done by some book-keepers, the more convenient way, where a sales book and invoice book are used, is to *post directly from those books*. When that plan is followed, it is not necessary to enter in the day book any transaction involving a sale or purchase. We will adopt that method in this exercise, so this transaction will not appear in the day book. The transaction is posted from the sales book as it would be from the day book. In the left-hand column of the sales book we write the page of the ledger to which the account is posted. In Peter Washburn's account in the ledger, we enter, "To mdse. per sales book, \$32.25," writing in the proper column the page of the sales book in which the particulars are found.]

Sold Timothy Eagan, for cash, 2 tons coal @ \$6.

[Enter in the sales book and then in the cash book. In the left-hand column of the sales book we write C. B., to show that the result of the sale is given in the cash book. As the particulars of the transaction are given in the sales book, we enter in the cash book simply, "To mdse. per S. B., \$12."]

Hiram B. Newman paid on $\frac{1}{2}\%$, \$15.

[Enter in the day book, and from there post to the ledger. The difference between this form and that followed in the Oct. acct. is this; we now post

Sales on account from the Sales Book to the Ledger.

Purchases on account from the Invoice Book to the Ledger.

All other transactions which affect Ledger accounts must be entered in the Day Book.

Sold Chas. A. Tyler 40 tons egg coal @ \$6, for which he gave his negotiable note on 60 days' time, endorsed by Franklin B. Southworth.

Write and endorse such a note.

The letters B. B., placed on the left-hand margin of the sales book, refer to the bill book, where the record of the note given for the coal is to be found.]

Sold James Hartwell, for cash, 3 tons coal @ \$6; sold Henry T. Peters, for cash, 4 tons coal @ \$6; sold Geo. P. Frye, on $\frac{1}{2}\%$, 2 tons coal @ \$6; 4 ft. hard wood @ \$1.

Nov. 3. Bought of William West, for cash, 10 cords soft wood @ \$3.50.

[Enter in the **Invoice Book**, then in the **Cash Book**. The entry in the cash book should be made as follows: "By mdse. per I. B., \$35."]

Sold Geo. A. Small, on $\frac{1}{2}\%$, 3 tons coal @ \$6; sold Thomas Trufant, for cash, 1 ton coal, \$6; 3 feet soft wood @ .75; sold W. E. White, on $\frac{1}{2}\%$, 15 tons coal @ \$6.

Nov. 9. Bought of M. F. Green, on $\frac{1}{2}\%$, 5 cords hard wood @ \$4.75; sold him, on $\frac{1}{2}\%$, 2 tons coal @ \$6; bought of Morrill & Co., on $\frac{1}{2}\%$, 2 car-loads (46,340 lbs.) egg coal @ \$4 per ton; paid employees for the week, \$16.

Nov. 12. Sold Morse & Co., for cash, 18 tons coal @ \$6. Henry Mayberry paid cash to balance his account. Sold Charles Hopkins, for cash, 5 feet soft wood @ .75; sold James Parkman, on $\frac{1}{2}\%$, 3 cords hard wood @ \$7; Geo. B. Wright, on $\frac{1}{2}\%$, 5 tons coal @ \$6. William T. Shaw drew out \$25 for his own use. We this day discounted James M. Stanley's note at First National Bank of Fairmount, @ 6%.

[The bill book shows the note would be due Dec. 30. How many days had it to run? What is the bank discount of \$150 at 6%, for that time? What sum must be entered in the cash book "To note of James M. Stanley"? Make entry in the bill book under the head, "When and How Disposed of."]

Nov. 16. Sold Town of Fairmount, on $\frac{1}{2}\%$, 18 tons coal @ \$5.75; sold Curtis Manufacturing Co., for cash, 125 tons coal @ \$5.60. Bought, for cash, 10 bu. oats @ .60; 12 bu. corn @ .75.* Paid employees \$16. Geo. F. Dayton has withdrawn, for his own use, \$20.

Nov. 20. Rec'd from Town of Fairmount, cash, in payment for coal bought Oct. 2; sold Trustees of Payson Church, for cash, 60 tons coal @ \$5.75; sold Hiram B. Newman, on $\frac{1}{2}\%$, 5 tons coal @ \$6; sold George R. Shaw, for cash, 4 ft. hard wood @ \$1; bought of Burton & Co., on $\frac{1}{2}\%$, 5 car-loads (107,968 lbs.) coal @ \$3.85 per ton.

Nov. 23. Sold Henry Mayberry, on $\frac{1}{2}\%$, 3 tons coal @ \$6. Howard Golden paid, on $\frac{1}{2}\%$, \$5; sold Simon Orcutt, for cash, 14 tons coal @ \$6; sold Maurice T. Thompson, on $\frac{1}{2}\%$, 2 tons coal @ \$6. William T. Shaw has withdrawn \$15 for his own use. Paid employees \$16.

Nov. 25. Sold George Humphrey, for cash, 8 tons coal @ \$6; sold William T. Newell, for cash, 4 ft. soft wood @ .75; sold D. B. Broch & Son, on $\frac{1}{2}\%$, 10 tons coal @ \$6. Paid our note in favor of S. P. Welch, now due. Sold Carleton Graves, on $\frac{1}{2}\%$, 6 tons coal @ \$6.

Nov. 30. Geo. B. Wright paid, on $\frac{1}{2}\%$, \$20; sold Howard Golden, on $\frac{1}{2}\%$, 6 tons coal @ \$6; Carleton Graves paid, on $\frac{1}{2}\%$, \$10.50; Jotham Towle paid, on $\frac{1}{2}\%$, \$20; sold him, on $\frac{1}{2}\%$, 1 cord hard wood, \$7. Maurice T. Thompson paid cash to balance his account. Sold Geo. P. Frye, on $\frac{1}{2}\%$, 5 tons coal @ \$6; sold James Burritt, for cash, 4 tons coal @ \$6. Paid employees, \$16. Sold Charles Lord, on $\frac{1}{2}\%$, 7 tons coal @ \$6. George Hoffman paid cash to balance his account. H. P. Lincoln paid cash, on $\frac{1}{2}\%$, \$30. Paid freight on coal received Nov. 9 and Nov. 20, \$85.

The pupil may now close the books with red ink balances, and prepare a statement similar to the one made at the close of the October business. The amount of mdse. on hand could be estimated very nearly by an examination of the invoice book and the sales book, and remembering that, while we sell 2000 lbs. for a ton, we buy 2240 lbs. for a ton. There would be some waste of coal, however, in actual business. We will consider the mdse. on hand to consist of 130 tons of coal @ \$5.25, 60½ cords of hard wood @ \$5.50, and 22½ cords of soft wood @ \$4.50. The teams, fixtures, etc., valued at \$1175. After the net capital at the end of the month is found, each partner's half of the net gain should be determined, entered in the day book, and posted. The partners' accounts may then be closed. If the work is correctly done, W. T. Shaw's account will close, "To balance, \$2432.95"; and Geo. F. Dayton's account will close, "To balance, \$2442.95."

* This should not be entered in the invoice book, as the oats and corn are not bought to sell again, but for running expenses.

SALES BOOK.

1891

FAIRMOUNT, Nov. 2, 1891.

Dr.

Cr.

L.	PETER WASHBURN	On %				
	To 4 tons of coal @ \$6		24	00		
	" 6 ft. hard wood @ \$1		6	00		
	" 3 " soft " " .75		2	25	32	25
C. B.	TIMOTHY EAGAN	Cash				
	To 2 tons coal @ \$6				12	00
B. B.	CHAS. A. TYLER	Note on 60 days				
	To 40 tons egg coal @ \$6				240	00
C. B.	JAMES HARTWELL	Cash				
	To 3 tons coal @ \$6				18	00
C. B.	HENRY T. PETERS	Cash				
	To 4 tons stove coal @ \$6				24	00
L.	GEO. P. FRYE	On %				
	To 2 tons stove coal @ \$6		12	00		
	" 4 ft. hard wood @ \$1		4	00	16	00
	Nov. 3.					
L.	GEO. A. SMALL	On %				
	To 3 tons coal @ \$6				18	00
C. B.	THOMAS TRUFANT	Cash				
	To 1 ton stove coal		6	00		
	" 3 ft. soft wood @ .75		2	25	8	25
L.	W. E. WHITE	On %				
	To 15 tons egg coal @ \$6				90	00
L.	M. F. GREEN	On %				
	To 2 tons stove coal @ \$6				12	00
	Total sales				470	50

The pages of the Ledger, Cash Book, etc., can be filled in as they are made out.

INVOICE BOOK.

1891

FAIRMOUNT, Nov. 2, 1891.

Dr.

Cr.

	Inventory of Mdse. on hand :					
	396 tons (long weight) coal @ \$5.25					
	61 cords hard wood " \$5.50					
	14 " soft " " \$4.50				2477	50
	Nov. 3.					
C. B.	Paid WILLIAM WEST	Cash				
	For 10 cords soft wood @ \$3.50				35	00
	Nov. 9.					
L.	To M. F. GREEN	On %				
	For 5 cords hard wood @ \$4.75				23	75
L.	To MORRILL & Co.	On %				
	For 46,340 lbs. egg coal @ \$4 per ton				82	75
Nov. 2-9	Total invoice				2619	00

LEASE.

This Indenture made this first day of Jan., in the year of our Lord one thousand eight hundred and ninety-seven; Witnesseth, that George Y. Cole, of Paris, county of Oxford, and state of Maine, does hereby lease, demise, and let unto Chas. U. Shaw of said Paris his two-story French roof house, stable, and the land, fruit trees, and vines on said lot, being No. 20 on Main Street, South Paris, in said town of Paris, the lot being 75 feet front by 100 feet back (Here specify any conditions on which the property is leased; such as, repairs to be made, the right to sell on giving due notice, or anything on which there is a mutual understanding at the time of hiring, and not elsewhere specified in this lease).

To hold for the term of two years from Jan. 1, 1897, yielding and paying therefor the rent of fifteen dollars (\$15) each month to said Cole.

And said Lessee does promise to pay said rent in monthly (or any fixed time for payments) installments of \$15 each month, commencing the first day of Jan., 1897, and to continue said payments the first of each month up to the expiration of this lease, and to quit and deliver up the premises to the Lessor, ^{his} attorney, peaceably and quietly, at the end of the term, in as good order and condition, reasonable use and wearing thereof, fire and other unavoidable casualties excepted, as the same now are, or may be put into by the said Lessor, and to pay the rent as above stated, during the term, and also the rent as above stated, for such further time as the Lessee may hold the same, and not make or suffer any waste thereof; nor lease, nor underlet, nor permit any other person or persons to occupy or improve the same, or make or suffer to be made any alteration therein, but with the approbation of the Lessor thereto, in writing, having been first obtained; and that the Lessor may enter to view and make improvements, and to expel the Lessee, if he shall fail to pay the rent as aforesaid, or make or suffer any strip or waste thereof.

And Provided also, that in case the premises or any part thereof, during said term, be destroyed or damaged by fire or other unavoidable casualty, so that the same shall be thereby rendered unfit for use and habitation, then, and in such case, the rent hereinbefore reserved, or a just and proportional part thereof, according to the nature and extent of the injuries sustained, shall be suspended or abated until the said premises shall have been put in proper condition for use and habitation by the said Lessor, or these presents shall thereby be determined and ended at the election of the said Lessor or ^{his} legal representatives.

In Witness Whereof, the said parties have hereunto interchangeably set their hands and seals, the day and year first above written.

Signed, sealed, and delivered in the presence of
Henry Dascomb. [To both signatures.]

George Y. Cole. (SEAL)
Chas. U. Shaw. (SEAL)

BILL OF SALE OF PERSONAL PROPERTY.—No. I.

Know all Men by these Presents

That I, John V. Hook of Malden, county of Middlesex, and state of Massachusetts, in consideration of one dollar and other good considerations paid by Harry O. Dame of Malden, county of Middlesex, and state aforesaid, the receipt whereof is hereby acknowledged, do hereby grant, sell, transfer, and deliver unto the said Harry O. Dame the following goods and chattels, namely: * All the household goods and furniture, including piano, books, pictures, library cases, and the following special book of which John V. Hook is the author, viz. Hook's "Citizens' Manual."

The said household furniture and furnishings are now in the house occupied by me at 42 Sea View Avenue, in said Malden.

To have and to hold all and singular the said goods and chattels to the said Harry O. Dame and ^{his} executors, administrators, and assigns, to their own use and behoof forever.

And I hereby covenant with the grantee that I am the lawful owner of the said goods, and chattels; that they are free from all encumbrances, (if mortgaged, state the amount) that I have good right to sell the same as aforesaid; and that I will warrant and defend the same against the lawful claims and demands of all persons.

In witness whereof I the said John V. Hook hereunto set my hand and seal this tenth day of December in the year one thousand eight hundred and ninety-six.

Signed and sealed in presence of
James McGrath.

John V. Hook. (SEAL)

* It is usually better and safer to specify the items of the articles thus transferred; as, 1 Estey piano, parlor furnishings consisting of 1 sofa, 1 blind rocker, 1 small rocker, 4 upholstered chairs, 1 large mirror, 6 large pictures, 1 tapestry carpet, 1 parlor stove, etc.

SHORT FORM OF BILL OF SALE.—No. II.

I of in consideration
of dollars paid by
..... hereby sell and convey to said
the following personal property (here give full list of articles or property transferred) and I warrant against
adverse claims.

Witness my hand and seal this day of A.D. 18 ..

Signed and sealed in presence of

Signature (SEAL)
(SEAL)

MORTGAGE.

A **Mortgage** is "a conveyance of property, upon condition, as security for the payment of a debt or the performance of a duty, and to become void upon payment or performance according to the stipulated terms; also the written instrument by which the conveyance is made."

The person who gives the mortgage is called the **Mortgagor**.

The person who receives the mortgage is called the **Mortgagee**.

"A mortgage does not differ materially from a deed in fee simple, except in the condition attached" "that if the mortgagor shall pay to the mortgagee a certain amount of money at a specified time" or perform a certain duty specified in the writing, then it shall be void.

"A note or a bond may be given to be secured by the mortgage, — the writing should distinctly state which is given; — also should clearly state any special terms agreed upon." (A mortgage given to secure the purchase money will take precedence before any other mortgage.)

Some states provide that the "mortgagor shall have three years after the commencement of foreclosure proceedings in which he may redeem the property by paying the debt, with interests and costs, and also that his time may be reduced to one year by special agreement. This is called his *equity of redemption*. A mortgagor may sell his right of redemption, or he may give a second mortgage, or it may be attached by creditors, or, in case of insolvency, it would form a part of his assets."

Mortgage deeds are now often "drawn with a clause containing an agreement of the parties that if the money is not paid when it is due the mortgagee may, in a certain number of days thereafter, sell the land (providing also such precautions to secure a certain price that may be agreed upon) and, reserving enough to pay his debt and charges, pay over to the mortgagor his balance; such action removes all claim of the mortgagor in a court of equity. This is called a power of sale mortgage and is sanctioned by law. All mortgages that do not contain the above stipulation possess an equity of redemption."

The right to redeem does not begin until the mortgagee commences action for foreclosure, though the debt may be overdue.

A mortgagor, who intends to redeem the property, must tender the amount of the debt with interest and lawful costs. Rents and profits that the party holding the mortgage received, or should have received, will be a charge against him in making the settlement.

It is usual for the mortgagor to keep the property insured, but the insurance policy should be made payable to the mortgagee to the extent of his interest therein. It is customary to make a provision for keeping the buildings insured one of the conditions of the mortgage.

A **Deed** is "a sealed instrument in writing, on paper or parchment, duly executed and delivered, containing some transfer, bargain, or contract."

"The term is generally applied to conveyances of real estate," viz. lands, buildings, etc.

Formerly all written instruments under seal were called deeds, but now the commonly accepted use of the word means a written instrument for the sale of lands and property thereon.

The person who makes the deed is called a **Grantor**.

The person to whom the deed is made is called a **Grantee**.

Both the grantor's and grantee's names should be written in full, and in a plain, legible hand with durable ink.

"The grantor to a deed must be of legal age and of sound mind."

Deeds to be valid must be delivered. A deed made and signed by a person who retains it in his own possession and dies is void or worthless.

All deeds should be recorded in the records of the county in which the property lies. If the parties issuing the deed do not wish the amount paid to be known, it can be written "in consideration of one dollar and other good considerations paid by," etc.

Blank Bill of Sales, Leases, Mortgages, Deeds, etc., can usually be secured for a trifle which are better, but in the making of all such papers it is best to have them made out by one who is thoroughly competent to do it.

I. Generally, the grantor in deed or mortgage must go before a magistrate to have the same duly acknowledged.

II. The interest which a wife has in her husband's real estate is called her right of **dower**, and to relinquish this she must join in the deed or mortgage. In some states it is necessary for a husband to join with his wife in a deed or mortgage given by her conveying her real estate.

To avoid fine, this book should be returned on
or before the date last stamped below

SON-2-40

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